

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-07349

Ball Corporation

State of Indiana
(State or other jurisdiction of
incorporation or organization)

35-0160610
(I.R.S. Employer
Identification No.)

10 Longs Peak Drive, P.O. Box 5000
Broomfield, Colorado
(Address of registrant's principal executive office)

80021-2510
(Zip Code)

Registrant's telephone number, including area code: (303) 469-3131

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, without par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO

The aggregate market value of voting stock held by non-affiliates of the registrant was \$14.8 billion based upon the closing market price and common shares outstanding as of June 30, 2017.

Number of shares and rights outstanding as of the latest practicable date.

Class	Outstanding at February 20, 2018
Common Stock, without par value	350,442,053 shares

DOCUMENTS INCORPORATED BY REFERENCE

1. Proxy statement to be filed with the Commission within 120 days after December 31, 2017, to the extent indicated in Part III.

Ball Corporation
ANNUAL REPORT ON FORM 10-K
For the year ended December 31, 2017

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PART I.

Item 1. Business

Ball Corporation and its consolidated subsidiaries (collectively, Ball, the company, we or our) is one of the world's leading suppliers of metal packaging to the beverage, food, personal care and household products industries. The company was organized in 1880 and incorporated in the state of Indiana, United States of America (U.S.), in 1922. Our packaging products are produced for a variety of end uses and are manufactured in facilities around the world. We also provide aerospace and other technologies and services to governmental and commercial customers within our aerospace segment. In 2017, our total consolidated net sales were \$11 billion. Our packaging businesses were responsible for 91 percent of our net sales, with the remaining 9 percent contributed by our aerospace business.

Our largest product line is aluminum beverage containers. We also produce steel food and aerosol containers, extruded aluminum aerosol containers and aluminum slugs.

We sell our packaging products mainly to large multinational beverage, food, personal care and household products companies with which we have developed long-term relationships. This is evidenced by our high customer retention and large number of long-term supply contracts. While we have a diversified customer base, we sell a significant portion of our packaging products to major companies and brands, as well as to numerous regional customers. Our significant customers include: The Coca-Cola Company and its affiliated bottlers, Anheuser-Busch InBev n.v./s.a., Molson Coors Brewing Company and Unilever N.V.

Our aerospace business is a leader in the design, development and manufacture of innovative aerospace systems for civil, commercial and national cyber security aerospace markets. It produces spacecraft, instruments and sensors, radio frequency systems and components, data exploitation solutions and a variety of advanced aerospace technologies and products that enable deep space missions.

We are headquartered in Broomfield, Colorado, and our stock is listed for trading on the New York Stock Exchange under the ticker symbol BLL.

Our Strategy

Our overall business strategy is defined by our Drive for 10 vision, which at its highest level, is a mindset around perfection, with a greater sense of urgency around our future success. Launched in 2011, our Drive for 10 vision encompasses five strategic levers that are key to growing our businesses and achieving long-term success. These five levers are:

- Maximizing value in our existing businesses
- Expanding into new products and capabilities
- Aligning ourselves with the right customers and markets
- Broadening our geographic reach and
- Leveraging our know-how and technological expertise to provide a competitive advantage

We also maintain a clear and disciplined financial strategy focused on improving shareholder returns through:

- Seeking to deliver comparable diluted earnings per share growth of 10 percent to 15 percent per annum over the long-term
- Maximizing free cash flow generation
- Increasing Economic Value Added (EVA®) dollars

The cash generated by our businesses is used primarily: (1) to finance the company's operations, (2) to fund strategic capital investments, (3) to service the company's debt and (4) to return value to our shareholders via stock buy-backs and dividend payments. From time to time, we have evaluated and expect to continue to evaluate possible transactions that we believe will benefit the company and our shareholders, which may include strategic acquisitions, divestitures of parts of our company or joint ventures. At any time we may be engaged in discussions or negotiations with respect to possible transactions or may have entered into non-binding letters of intent. There can be no assurance if or when we

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will enter into any such transactions or the terms of such transactions. The compensation of many of our employees is tied directly to the company's performance through our EVA®-based incentive programs.

Our Reportable Segments

Ball Corporation reports its financial performance in five reportable segments: (1) beverage packaging, North and Central America; (2) beverage packaging, South America; (3) beverage packaging, Europe; (4) food and aerosol packaging and (5) aerospace. Ball also has investments in the U.S., Guatemala, Panama, South Korea and Vietnam that are accounted for using the equity method of accounting and, accordingly, those results are not included in segment sales or earnings. Financial information related to each of our segments is included in Note 3 to the consolidated financial statements within Item 8 of this Annual Report on Form 10-K (annual report).

Beverage Packaging, North and Central America, Segment

Beverage packaging, North and Central America is Ball's largest segment, accounting for 38 percent of consolidated net sales in 2017. Metal beverage containers are primarily sold under multi-year supply contracts to fillers of carbonated soft drinks, beer, energy drinks and other beverages.

Metal beverage containers and ends are produced at 19 manufacturing facilities in the U.S., one in Canada and two in Mexico. Additionally, Rocky Mountain Metal Container, LLC, a joint venture owned 50 percent by Ball and 50 percent by a wholly owned subsidiary of Molson Coors Brewing Company, operates beverage container and end manufacturing facilities in Golden, Colorado.

The North American beverage container manufacturing industry is relatively mature. Where growth or contractions are projected in certain markets or for certain products, Ball undertakes selected capacity increases or decreases primarily in its existing facilities to meet market demand. A meaningful portion of the industry-wide reduction in demand for standard 12-ounce aluminum cans for the carbonated soft drink market is being offset with growing demand for specialty container volumes from new and existing customers and consumer demand. During 2016, we began production at our newly constructed beverage can and end manufacturing facility in Monterrey, Mexico.

According to publicly available information and company estimates, the North America, beverage container industry represents approximately 110 billion units. Five companies manufacture substantially all of the metal beverage containers in the U.S., Canada and Mexico. Ball produced approximately 46 billion recyclable aluminum beverage containers in North America in 2017, which represented approximately 40 percent of the aggregate production in these countries. Historically, sales volumes of metal beverage containers in North America tend to be highest during the period from April through September. All of the beverage containers produced by Ball in the U.S., Canada and Mexico are made of aluminum. In North and Central America, five suppliers provide the majority of our aluminum can and end sheet requirements.

Beverage containers are sold based on price, quality, service, innovation and sustainability in a highly competitive market, which is relatively capital intensive and characterized by facilities that run more or less continuously in order to operate profitably. In addition, the metal beverage container competes aggressively with other packaging materials which include meaningful industry positions by the glass bottle in the packaged beer industry and the polyethylene terephthalate (PET) bottle in the carbonated soft drink and water industries.

We believe we have limited our exposure to changes in the cost of aluminum ingot as a result of the inclusion of provisions in most metal beverage container sales contracts to pass through aluminum price changes, as well as through the use of derivative instruments.

In order to better align our manufacturing footprint to meet the needs of our customers, the company announced in July 2015 the closure of its Bristol, Virginia, beverage end-making facility. The Bristol facility, which ceased production at the end of June 2016, produced beverage ends in a variety of sizes and its capacity was transitioned to existing North American Ball end-making facilities. In December 2016, the company announced the closure of its Reidsville, North Carolina, beverage packaging plant. The Reidsville facility, which ceased production at the end of June 2017, produced beverage cans in a variety of sizes and its customers are now supplied by the company's other U.S. facilities. During the third quarter of 2017, the company announced the closure of its beverage can manufacturing facilities in Chatsworth, California, and Longview, Texas, and its beverage end manufacturing facility in Birmingham, Alabama. The Birmingham plant is currently expected to cease production by the end of the second quarter of 2018, and the Longview

and Chatsworth plants are currently expected to cease production by the end of the third quarter of 2018. The capacity from these locations will be transitioned to other North American Ball facilities. In order to serve growing customer demand for specialty cans in the southwestern U.S., the company is constructing a beverage packaging facility in Goodyear, Arizona, which is expected to begin production in the second quarter of 2018.

Beverage Packaging, South America, Segment

The beverage packaging, South America, segment, accounted for 15 percent of Ball's consolidated net sales in 2017. Our operations consist of 14 facilities, 12 in Brazil and one each in Argentina and Chile. For the countries where we operate, the South American beverage container market is approximately 29 billion containers, and we are the largest producer in this region with an estimated 55 percent of South American shipments in 2017. Four companies currently manufacture substantially all of the metal beverage containers in Brazil.

The company's South American beverage facilities produced approximately 16 billion aluminum beverage containers in 2017. Historically, sales volumes of beverage containers in South America tend to be highest during the period from September through December. In South America, two suppliers provide virtually all our aluminum sheet requirements.

In order to support contracted volumes for aluminum beverage packaging across Paraguay, Argentina and Bolivia, the company will construct a one-line beverage can and end manufacturing plant in Paraguay, and will add capacity to its Buenos Aires, Argentina, facility. The Paraguay plant is expected to begin production in the fourth quarter of 2019.

We believe we have limited our exposure to changes in the costs of aluminum ingot as a result of the inclusion of provisions in most metal beverage container sales contracts to pass through aluminum ingot price changes, as well as through the use of derivative instruments.

Beverage Packaging, Europe, Segment

The beverage packaging, Europe, segment, which accounted for 21 percent of Ball's consolidated net sales in 2017. Our European operations consist of 20 facilities throughout Europe. The European beverage container market is approximately 64 billion containers, including Russia, and we are the largest producer with an estimated 42 percent of European shipments. The European market is highly regional in terms of sales growth rates and packaging mix. Four companies manufacture substantially all of the metal beverage containers in Europe. Our European beverage facilities produced 27 billion beverage containers in 2017, the vast majority of which were produced from aluminum.

Historically, sales volumes of metal beverage containers in Europe tend to be highest during the period from May through August with a smaller increase in demand leading up to the winter holiday season in the U.K. offset by much lower demand in Russia. Much like other parts of the world, the metal beverage container competes aggressively with other packaging materials used by the European beer and carbonated soft drink industries. The glass bottle is heavily utilized in the packaged beer industry, while the PET container is utilized in the carbonated soft drink, beer, juice and water industries.

European raw material supply contracts generally have longer term agreements. In Europe, five aluminum suppliers and two steel suppliers provide almost all of our requirements. Aluminum is traded primarily in U.S. dollars, while the functional currencies of our European operations are various other currencies. The company minimizes its exchange rate risk using derivative and supply contracts in local currencies. Purchase and sales contracts generally include fixed-price, floating or pass-through aluminum ingot component pricing arrangements.

In order to support strong growth for beverage cans in the Iberian Peninsula, the company is constructing a two-line, aluminum beverage can manufacturing facility near Madrid, Spain, with the majority of the new capacity secured under a long-term customer contract. The facility is expected to be fully operational in mid-2018 and will produce multiple can sizes. In the third quarter of 2017, our beverage packaging container and end production facilities in Recklinghausen, Germany, ceased production, and the capacity was transitioned to existing European Ball facilities.

Food and Aerosol Packaging Segment

The food and aerosol packaging segment accounted for 10 percent of consolidated net sales in 2017. Ball produces two-piece and three-piece steel food containers and ends for packaging vegetables, fruit, soups, meat, seafood, nutritional products, pet food and other products. The segment also manufactures and sells steel aerosol containers, as well as

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extruded aluminum aerosol containers and aluminum slugs. There are 10 facilities in the U.S., four in Europe, two in Argentina, one in Canada, one in Mexico and one in India that manufacture these products.

We estimate our steel aerosol business accounted for 34 percent of total annual U.S. and Canadian steel aerosol shipments in 2017. In the U.S. and Canada, we are the leading supplier of aluminum slugs used in the production of extruded aluminum aerosol containers and estimate our percentage of the total industry shipments to be 77 percent. We estimate our extruded aluminum aerosol business accounted for 21 percent of total annual North American extruded aluminum aerosol shipments in 2017. Ball's European aluminum aerosol shipments represented 20 percent of total European industry shipments in 2017. Historically, sales volumes of metal food containers in North America tend to be highest from May through October as a result of seasonal fruit, vegetable and salmon packs. We estimate our 2017 shipments of 3 billion steel food containers to be 11 percent of total U.S. and Canadian metal food container shipments.

Cost containment and maximizing asset utilization are crucial to maintaining profitability in the metal food and aerosol container manufacturing industries and Ball is focused on doing so. During the first quarter of 2016, the company announced the closure of its food and aerosol packaging flat sheet production and end-making facility in Weirton, West Virginia, which ceased production in the first quarter of 2017, and its production capacity was consolidated into other Ball facilities in the U.S. In October 2016, the company sold its specialty tin manufacturing facility in Baltimore, Maryland. In March 2017, the company sold its paint and general line can plant in Hubbard, Ohio.

Competition in the U.S. steel aerosol container market primarily includes three other national suppliers. Competitors in the metal food container industry include three national and a small number of regional suppliers and self-manufacturers. Several producers in Mexico also manufacture steel food containers. Steel containers also compete with other packaging materials in the food and aerosol products industry including glass, aluminum, plastic, paper and pouches. As a result, profitability for this product line is dependent on price, cost reduction, service and quality. Two steel suppliers provide approximately 58 percent of our tinsplate steel. We believe we have limited our exposure related to changes in the costs of steel tinsplate and aluminum as a result of the inclusion of provisions in many sales contracts to pass through steel and aluminum cost changes and the existence of certain other steel container sales contracts that incorporate annually negotiated metal costs. We also mitigate aluminum cost changes through our self-supply of aluminum slugs and the use of aluminum scrap from our beverage can facilities.

Aerospace Segment

Ball's aerospace segment, which accounted for 9 percent of consolidated net sales in 2017, includes national defense hardware, antenna and video tactical solutions, civil and operational space hardware and systems engineering services. The segment develops spacecraft, sensors and instruments, radio frequency systems and other advanced technologies for the civil, commercial and national security aerospace markets. The majority of the aerospace business involves work under contracts, generally from one to five years in duration, as a prime contractor or subcontractor for the U.S. Department of Defense (DoD), the National Aeronautics and Space Administration (NASA) and other U.S. government agencies. The company competes against both large and small prime contractors and subcontractors for these contracts. Contracts funded by the various agencies of the federal government represented 98 percent of segment sales in 2017.

Intense competition and long operating cycles are key characteristics of both the company's business and the aerospace and defense industry. It is common in the aerospace and defense industry for work on major programs to be shared among a number of companies. A company competing to be a prime contractor may, upon ultimate award of the contract to a competitor, become a subcontractor for the ultimate prime contracting company. It is not unusual to compete for a contract award with a peer company and, simultaneously, perform as a supplier to or a customer of that same competitor on other contracts, or vice versa.

Geopolitical events and shifting executive and legislative branch priorities have resulted in an increase in opportunities over the past decade in areas matching our aerospace segment's core capabilities in space hardware. The businesses include hardware and services sold primarily to U.S. customers, with emphasis on space science and exploration, environmental and earth sciences, and defense and intelligence applications. Major activities frequently involve the design, manufacture and testing of satellites, remote sensors and ground station control hardware and software, as well as related services such as launch vehicle integration and satellite operations.

Other hardware activities include target identification, warning and attitude control systems and components; cryogenic systems for reactant storage, and associated sensor cooling devices; star trackers, which are general-purpose stellar attitude sensors; and fast-steering mirrors. Additionally, the aerospace segment provides diversified technical services

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and products to government agencies, prime contractors and commercial organizations for a broad range of information warfare, electronic warfare, avionics, intelligence, training and space system needs.

Contracted backlog in the aerospace segment was \$1.75 billion and \$1.4 billion at December 31, 2017 and 2016, respectively, and consisted of the aggregate contract value of firm orders, excluding amounts previously recognized as revenue. The 2017 contracted backlog includes \$844 million expected to be recognized in revenues during 2018, with the remainder expected to be recognized in revenues in the years thereafter. Unfunded amounts included in backlog for certain firm government orders, which are subject to annual funding, were \$1.3 billion and \$846 million at December 31, 2017 and 2016, respectively. Year-over-year comparisons of backlog are not necessarily indicative of the trend of future operations due to the nature of varying delivery and milestone schedules on contracts, funding of programs and the uncertainty of timing of future contract awards. Uncertainties in the federal government budgeting process could delay the funding, or even result in cancellation of certain programs currently in our reported backlog.

Other

Other consists of non-reportable segments in Africa, the Middle East and Asia (AMEA) and Asia Pacific that manufacture and sell metal beverage containers.

AMEA

As part of the June 2016 Rexam acquisition, we added metal beverage container operations for the AMEA region, which consist of five aluminum container and end manufacturing facilities—two in India and one each in Egypt, Saudi Arabia and Turkey. The manufacturing facility in Saudi Arabia, Rexam United Arab Can Manufacturing Limited, is a joint venture 51 percent owned by Ball and consolidated in our results. The beverage container market in these countries produced 24 billion cans in 2017, and we are one of four major producers in this region with 17 percent of shipments. Additionally, Ball has an ownership interest in an equity joint venture in South Korea.

In 2015, Rexam announced the establishment of a second metal beverage container facility in Sri City, India, near Chennai, which began production in the second quarter of 2017.

Asia Pacific

The metal beverage container market in the People's Republic of China (PRC) is 41 billion containers, of which Ball's operations represented an estimated 14 percent in 2017. Our percentage of the industry makes us one of the largest manufacturers of metal beverage containers in the PRC. We, along with five other manufacturers, account for 78 percent of the production. Our operations include the manufacture of aluminum containers and ends in four facilities in the PRC and one aluminum container facility in Myanmar. Our aluminum can and end sheet requirements are provided by several suppliers.

In May 2014, we announced the expansion of our Asian operations with the construction of a new one-line beverage can manufacturing facility in Myanmar, which began production in the second quarter of 2016. Additionally, Ball has an ownership interest in an equity joint venture in Vietnam with Thai Beverage Can Limited, which manufactures two-piece aluminum cans and ends for beverages.

Patents

In the opinion of the company's management, none of our active patents or groups of patents is material to the successful operation of our business as a whole. We manage our intellectual property portfolio to obtain the durations necessary to achieve our business objectives.

Research and Development

Research and development (R&D) efforts in our packaging segments are primarily directed toward packaging innovation, specifically the development of new features, sizes, shapes and types of containers, as well as new uses for existing containers. Other R&D efforts in these segments seek to improve manufacturing efficiencies and the overall sustainability of our products. Our packaging R&D activities are primarily conducted in a technical center located in Westminster, Colorado.

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In our aerospace business, we continue to focus our R&D activities on the design, development and manufacture of innovative aerospace products and systems. This includes the production of spacecraft, instruments and sensors, radio frequency and system components, data exploitation solutions and a variety of advanced aerospace technologies and products that enable deep space missions. Our aerospace R&D activities are conducted at various locations in the U.S.

Additional information regarding company R&D activity is contained in Note 1 to the consolidated financial statements within Item 8 of this annual report, as well as in Item 2, “Properties.”

Sustainability

Sustainability is a key part of maximizing value at Ball. In our global operations, we focus our sustainability efforts on employee safety, energy, water, waste and air emissions. In addition to operational excellence, we identified product stewardship, talent management and community ambassadors as priorities for our corporate sustainability efforts. Information about our corporate sustainability management, goals and performance data are available at www.ball.com/sustainability.

By enhancing the unique sustainability credentials of our products along their life cycle, we position our metal containers as the most sustainable choice and help our customers grow their business. Because metal recycling saves resources and uses up to 20 times less energy than primary metal production, the biggest opportunity to further minimize the environmental impacts of metal packaging is to increase recycling rates. Aluminum and steel are infinitely recyclable materials. They also have the highest scrap value of all commonly used packaging substrates. In 2017, aluminum beverage cans were confirmed to be the most recycled beverage package in the world, with a global weighted average recycling rate for aluminum at 69 percent. In comparison, 43 percent of PET and 46 percent of glass bottles were collected for recycling, although not necessarily recycled. In some of Ball’s markets such as Brazil, China and several European countries, recycling rates for aluminum beverage cans are at or above 90 percent. The most recently available recycling rates in Europe are 73 percent for aluminum beverage containers in 2014 and 78 percent for steel containers in 2015. The most recently available recycling rates in the U.S. are 49 percent for aluminum beverage cans in 2016 and 71 percent for steel cans in 2014.

In markets where recycling rates are below expectations, we help establish and financially support packaging collection and recycling initiatives. These typically focus on collaborating with public and private partners to create effective collection and recycling systems, including education of consumers about the benefits of metal packaging. For details about programs we support, please visit www.ball.com/recycling.

Employee Relations

At the end of 2017, the company and its subsidiaries employed approximately 18,300 employees, including 8,100 employees in the U.S. Details of collective bargaining agreements are included within Item 1A, Risk Factors, of this annual report.

Where to Find More Information

Ball Corporation is subject to the reporting and other information requirements of the Securities Exchange Act of 1934, as amended (Exchange Act). Reports and other information filed with the Securities and Exchange Commission (SEC) pursuant to the Exchange Act may be inspected and copied at the public reference facility maintained by the SEC in Washington, D.C. The SEC maintains a website at www.sec.gov containing our reports, proxy materials and other items. The company also maintains a website at www.ball.com/investors on which it provides a link to access Ball’s SEC reports free of charge, under the link “Financials.”

The company has established written Ball Corporation Corporate Governance Guidelines; a Ball Corporation Executive Officers and Board of Directors Business Ethics Statement; a Business Ethics Code of Conduct; and charters for its Audit Committee, Nominating/Corporate Governance Committee, Human Resources Committee and Finance Committee. These documents are on the company’s website at www.ball.com/investors, under the link “Corporate Governance.” A copy may also be obtained upon request from the company’s corporate secretary. The company’s sustainability report and updates on Ball’s progress are available at www.ball.com/sustainability.

The company intends to post on its website the nature of any amendments to the company’s codes of ethics that apply to executive officers and directors, including the chief executive officer, chief financial officer and controller, and the

nature of any waiver or implied waiver from any code of ethics granted by the company to any executive officer or director. These postings will appear on the company's website at www.ball.com/investors, under the link "Corporate Governance."

Item 1A. Risk Factors

Any of the following risks could materially and adversely affect our business, financial condition or results of operations.

We may not realize all of the anticipated benefits of the acquisition of Rexam, or those benefits may take longer to realize than expected. We may also encounter significant unexpected difficulties in integrating the two businesses.

Our ability to realize the anticipated benefits of the acquisition of Rexam will depend, to a large extent, on our ability to integrate our beverage packaging business with Rexam's business. Combining two independent businesses is a complex, costly and time-consuming process. As a result, we are required to devote significant management attention and resources to integrating the business practices and operations of the company and the Rexam business we acquired. The integration process may disrupt the combined business and, if implemented ineffectively, could preclude the realization of the full benefits of the acquisition that are currently expected. Our failure to meet the challenges involved in integrating the two businesses and to realize the anticipated benefits of the acquisition could cause an interruption of, or a loss of momentum in, the activities of the company and could adversely affect the company's results of operations. In addition, the overall integration of the businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships and diversion of management's attention. The possible difficulties of combining the operations of the companies also include, among others:

- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from combining our business with that of Rexam;
- difficulties in integrating operations, business practices and systems;
- difficulties in assimilating and retaining employees;
- difficulties in managing the expanded operations of a significantly larger and more complex combined company;
- challenges in retaining existing customers and suppliers;
- challenges in obtaining new customers and suppliers;
- potential unknown liabilities and unforeseen increased expenses associated with the acquisition; and
- challenges in retaining and attracting key personnel.

Many of these factors are or will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could materially impact the business, financial condition and results of operations of the company. In addition, even if the operations of the businesses of the company and Rexam are integrated successfully, we may not realize the full benefits of the acquisition, including the synergies, cost savings or sales or growth opportunities that we expect, or the full benefits may not be achieved within the anticipated time frame, or at all. Additional unanticipated costs may be incurred in the integration of the businesses of the company and Rexam. All of these factors could adversely affect the earnings of the company, decrease or delay the expected accretive effect of the acquisition, or negatively impact the price of the company's common stock. As a result, we cannot assure that the combination of the company's and Rexam's beverage packaging businesses will result in the realization of the full benefits anticipated from the acquisition.

In connection with satisfying requirements under the antitrust laws of the U.S., the European Union and Brazil, and obtaining associated approvals and clearances, we were required to effect significant divestitures. As a result of the required divestitures, we may not realize all or a significant portion of the anticipated benefits of the Rexam acquisition, including anticipated synergies, and the company may otherwise suffer other negative consequences that may materially and adversely affect the company's business, financial condition and results of operations and, to the extent that the current price of the company's common stock reflects an assumption that the anticipated benefits of the acquisition will be realized, the price per share for the company's common stock could be negatively impacted.

We have a significant level of debt that could have important consequences for our business and any investment in our securities.

The company had \$7 billion of interest-bearing debt at December 31, 2017. Such indebtedness could have significant consequences for our business and any investment in our securities, including:

- increasing our vulnerability to adverse economic, industry or competitive developments;
- requiring more of our cash flows from operations to be dedicated to the payment of principal and interest on our indebtedness, limiting our cash flow available to fund our operations, capital expenditures and future business opportunities or returning additional cash to our shareholders;
- restricting us from making additional acquisitions;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who may be less leveraged and who, therefore, may be able to take advantage of opportunities that our leverage prevents us from exploiting.

Our business, operating results and financial condition are subject to particular risks in certain regions of the world.

We may experience an operating loss in one or more regions of the world for one or more periods, which could have a material adverse effect on our business, operating results or financial condition. Moreover, overcapacity, which often leads to lower prices, exists in certain regions in which we operate and may persist even if demand grows. Our ability to manage such operational fluctuations and to maintain adequate long-term strategies in the face of such developments will be critical to our continued growth and profitability.

The loss of a key customer, or a reduction in its requirements, could have a significant negative impact on our sales.

We sell a majority of our packaging products to a relatively limited number of major beverage, packaged food, personal care and household product companies, some of which operate in multiple geographical markets we serve.

Although the majority of our customer contracts are long-term, these contracts, unless they are renewed, expire in accordance with their respective terms and are terminable under certain circumstances, such as our failure to meet quality, volume or market pricing requirements. Because we depend on a relatively limited number of major customers, our business, financial condition or results of operations could be adversely affected by the loss of any of these customers, a reduction in the purchasing levels of these customers, a strike or work stoppage by a significant number of these customers' employees or an adverse change in the terms of the supply agreements with these customers.

The primary customers for our aerospace segment are U.S. government agencies or their prime contractors. Our contracts with these customers are subject to several risks, including funding cuts and delays, technical uncertainties, budget changes, government shutdowns, competitive activity and changes in scope.

We face competitive risks from many sources that may negatively impact our profitability.

Competition within the packaging and aerospace industries is intense. Increases in productivity, combined with existing or potential surplus capacity in the industry, have maintained competitive pricing pressures. The principal methods of competition in the general packaging industry are price, innovation, sustainability, service and quality. In the aerospace industry, they are technical capability, cost and schedule. Some of our competitors may have greater financial, technical and marketing resources, and some may currently have significant excess capacity. Our current or potential competitors may offer products at a lower price or products that are deemed superior to ours. The global economic environment has resulted in reductions in demand for our products in some instances, which, in turn, could increase these competitive pressures.

We are subject to competition from alternative products, which could result in lower profits and reduced cash flows.

Our metal packaging products are subject to significant competition from substitute products, particularly plastic carbonated soft drink bottles made from PET, single serve beer bottles and other food and beverage containers made of glass, cardboard or other materials. Competition from plastic carbonated soft drink bottles is particularly intense in the U.S., Europe and the PRC. Certain of our aerospace products are also subject to competition from alternative products

and solutions. There can be no assurance that our products will successfully compete against alternative products, which could result in a reduction in our profits or cash flow.

Our packaging businesses have a narrow product range, and our business would suffer if usage of our products decreased or if decreases occur in the demand for the beverages, food and other goods filled in our products.

For the year ended December 31, 2017, 81 percent of our consolidated net sales were from the sale of beverage containers, and we expect to derive a significant portion of our future revenues and cash flows from the sale of beverage containers. Our business would suffer if the use of beverage containers decreased. Accordingly, broad acceptance by consumers of aluminum and steel containers for a wide variety of beverages is critical to our future success. If demand for glass and PET bottles increases relative to metal containers, or the demand for aluminum and steel containers does not develop as expected, our business, financial condition or results of operations could be materially adversely affected.

Changes in laws and governmental regulations may adversely affect our business and operations.

We and our customers and suppliers are subject to various federal, state, provincial and local laws and regulations, which have been increasing in number and complexity. Each of our, and their, facilities is subject to federal, state, provincial and local licensing and regulation by health, environmental, workplace safety and other agencies in multiple jurisdictions. Requirements of worldwide governmental authorities with respect to manufacturing, manufacturing facility locations within the jurisdiction, product content and safety, climate change, workplace safety and health, environmental, expropriation of assets and other standards could adversely affect our ability to manufacture or sell our products, and the ability of our customers and suppliers to manufacture and sell their products. In addition, we face risks arising from compliance with and enforcement of numerous and complex federal, state, provincial and local laws and regulations.

Enacted regulatory developments regarding the reporting and use of “conflict minerals” mined from the Democratic Republic of the Congo and adjoining countries could affect the sourcing, availability and price of minerals used in the manufacture of certain of our products. As a result, there may only be a limited pool of suppliers who provide conflict-free materials, and we cannot give assurance that we will be able to obtain such products in sufficient quantities or at competitive prices. Also, because our supply chains are complex, we may face reputational challenges with our customers and other stakeholders if we are unable to sufficiently verify the origins of all materials used in the products that we sell. The compliance and reporting aspects of these regulations may result in incremental costs to the company. While deposit systems and other container-related legislation have been adopted in some jurisdictions, similar legislation has been defeated in public referenda and legislative bodies in many others. We anticipate that continuing efforts will be made to consider and adopt such legislation in the future. The packages we produce are widely used and perform well in U.S. states, Canadian provinces and European countries that have deposit systems, as well as in other countries worldwide.

Significant environmental, employment-related and other legislation and regulatory requirements exist and are also evolving. The compliance costs associated with current and proposed laws and potential regulations could be substantial, and any failure or alleged failure to comply with these laws or regulations could lead to litigation or governmental action, all of which could adversely affect our financial condition or results of operations.

Our business, financial condition and results of operations are subject to risks resulting from broader geographic operations.

We derived 50 percent of our consolidated net sales from outside of the U.S. for the year ended December 31, 2017. The sizeable scope of operations outside of the U.S. may lead to more volatile financial results and make it more difficult for us to manage our business. Reasons for this include, but are not limited to, the following:

- political and economic instability;
- governments’ restrictive trade policies;
- the imposition or rescission of duties, taxes or government royalties;
- exchange rate risks;
- difficulties in enforcement of contractual obligations and intellectual property rights; and
- the geographic, language and cultural differences between personnel in different areas of the world.

Any of these factors, many of which are present in both the U.S. and other countries, could materially adversely affect our business, financial condition or results of operations.

We are exposed to exchange rate fluctuations.

The financial results of the company are exposed to currency exchange rate fluctuations and an increased proportion of assets, liabilities and earnings denominated in non-U.S. dollar currencies. The company presents its financial statements in U.S. dollars and has a significant proportion of its net assets, debt and income in non-U.S. dollar currencies, primarily the euro, as well as the Russian ruble and other emerging market currencies. The company's financial results and capital ratios are therefore sensitive to movements in foreign exchange rates.

We manage our exposure to currency fluctuations, particularly our exposure to fluctuations in the euro to U.S. dollar exchange rate to attempt to mitigate the effect of cash flow and earnings volatility associated with exchange rate changes. We primarily use forward contracts and options to manage our currency exposures and, as a result, we experience gains and losses on these derivative positions offset, in part, by the impact of currency fluctuations on existing assets and liabilities. Our inability to properly manage our exposure to currency fluctuations could materially impact our results.

If we fail to retain key management and personnel, we may be unable to implement our key objectives.

We believe our future success depends, in part, on our experienced management team. Unforeseen losses of key members of our management team without appropriate succession and/or compensation planning could make it difficult for us to manage our business and meet our objectives.

Decreases in our ability to develop or apply new technology and know-how may affect our competitiveness.

Our success depends partially on our ability to improve production processes and services. We must also introduce new products and services to meet changing customer needs. If we are unable to implement better production processes or to develop new products through research and development or licensing of new technology, we may not be able to remain competitive with other manufacturers. As a result, our business, financial condition or results of operations could be adversely affected.

Adverse weather and climate changes may result in lower sales.

We manufacture packaging products primarily for beverages and foods. Unseasonably cool weather can reduce demand for certain beverages packaged in our containers. In addition, poor weather conditions or changes in climate that reduce crop yields of fruits and vegetables can adversely affect demand for our food containers. Climate change could have various effects on the demand for our products and the costs of inputs to our production in different regions around the world.

We are vulnerable to fluctuations in the supply and price of raw materials.

We purchase aluminum, steel and other raw materials and packaging supplies from several sources. While all such materials are available from independent suppliers, raw materials are subject to fluctuations in price and availability attributable to a number of factors, including general economic conditions, commodity price fluctuations (particularly aluminum on the London Metal Exchange), the demand by other industries for the same raw materials and the availability of complementary and substitute materials. Although we enter into commodities purchase agreements from time to time and sometimes use derivative instruments to seek to manage our risk, we cannot ensure that our current suppliers of raw materials will be able to supply us with sufficient quantities at reasonable prices. Economic and financial factors could impact our suppliers, thereby causing supply shortages. Increases in raw material costs could have a material adverse effect on our business, financial condition or results of operations. In the Americas, Europe and Asia, some contracts do not allow us to pass along increased raw material costs and we generally use derivative agreements to seek to manage this risk. Our hedging procedures may be insufficient and our results could be materially impacted if costs of materials increase. Due to the fixed-price contracts and derivative activities, while increasing raw material costs may not impact our near-term profitability, increased prices could decrease our sales volume over time.

Prolonged work stoppages at facilities with union employees could jeopardize our financial position.

As of December 31, 2017, 22 percent of our North American packaging facility employees and 59 percent of our European employees were covered by collective bargaining agreements. These collective bargaining agreements have staggered expirations during the next several years. Although we consider our employee relations to be generally good, a prolonged work stoppage or strike at any facility with union employees could have a material adverse effect on our business, financial condition or results of operations. In addition, we cannot ensure that upon the expiration of existing collective bargaining agreements, new agreements will be reached without union action or that any such new agreements will be on terms satisfactory to us.

Our aerospace segment is subject to certain risks specific to that business.

In our aerospace business, U.S. government contracts are subject to reduction or modification in the event of changes in requirements, and the government may also terminate contracts at its convenience pursuant to standard termination provisions. In such instances, Ball may be entitled to reimbursement for allowable costs and profits on authorized work that has been performed through the date of termination.

In addition, budgetary constraints and government shutdowns may result in further reductions to projected spending levels by the U.S. government. In particular, government expenditures are subject to the potential for automatic reductions, generally referred to as “sequestration.” Sequestration may occur in any given year, resulting in significant additional reductions to spending by various U.S. government defense and aerospace agencies on both existing and new contracts, as well as the disruption of ongoing programs. Even if sequestration does not occur, we expect that budgetary constraints and ongoing concerns regarding the U.S. national debt will continue to place downward pressure on agency spending levels. Due to these and other factors, overall spending on various programs could decline, which could result in significant reductions to revenue, cash flows, net earnings and backlog primarily in our aerospace segment.

We use estimates in accounting for many of our programs in our aerospace business, and changes in our estimates could adversely affect our future financial results.

We account for sales and profits on the majority of long-term contracts in our aerospace business in accordance with the percentage-of-completion method of accounting, using the cumulative catch-up method to account for updates in estimates. The percentage-of-completion method of accounting involves the use of various estimating techniques to project revenues and costs at completion and various assumptions and projections relative to the outcome of future events, including the quantity and timing of product deliveries, future labor performance and rates, and material and overhead costs. These assumptions involve various levels of expected performance improvements. Under the cumulative catch-up method, the impact of updates in our estimates related to units shipped to date is recognized immediately.

Because of the significance of the judgments and estimates described above, it is likely that we could record materially different amounts if we used different assumptions or if the underlying circumstances or estimates were to change. Accordingly, updates in underlying assumptions, circumstances or estimates may materially affect our future financial performance.

Our backlog includes both cost-type and fixed-price contracts. Cost-type contracts generally have lower profit margins than fixed-price contracts. Our earnings and margins may vary depending on the types of government contracts undertaken, the nature of the work performed under those contracts, the costs incurred in performing the work, the achievement of other performance objectives and their impact on our ability to receive fees. The fixed-price contracts could subject us to losses if we have cost overruns or if increases in our costs exceed the applicable escalation rate.

As a U.S. government contractor, we could be adversely affected by changes in regulations or any negative findings from a U.S. government audit or investigation.

Our aerospace business operates in a highly regulated environment and is routinely audited and reviewed by the U.S. government and its agencies, such as the Defense Contract Audit Agency (DCAA) and Defense Contract Management Agency (DCMA). These agencies review performance under our contracts, our cost structure and our compliance with applicable laws, regulations and standards, as well as the adequacy of, and our compliance with, our internal control systems and policies. Business systems that are subject to review under the DoD Federal Acquisition Regulation Supplement (DFARS) are purchasing, estimating, material management and accounting, as well as property and earned value management. Any costs ultimately found to be unallowable or improperly allocated to a specific contract will not

be reimbursed or must be refunded if already reimbursed. If an audit uncovers improper or illegal activities, we may be subject to civil and criminal penalties, sanctions or suspension or debarment from doing business with the U.S. government. Whether or not illegal activities are alleged, the U.S. government also has the ability to decrease or withhold certain payments when it deems systems subject to its review to be inadequate. If such actions were to result in suspension or debarment, this could have a material adverse effect on our business.

Our business is subject to substantial environmental remediation and compliance costs.

Our operations are subject to federal, state, provincial and local laws and regulations in multiple jurisdictions relating to environmental hazards, such as emissions to air, discharges to water, the handling and disposal of hazardous and solid wastes and the clean-up of hazardous substances. We have been designated, along with numerous other companies, as a potentially responsible party for the clean-up of several hazardous waste sites. Based on available information, we do not believe that any costs incurred in connection with such sites will have a material adverse effect on our financial condition, results of operations, capital expenditures or competitive position. There is increased focus on the regulation of greenhouse gas emissions and other environmental issues worldwide.

Our business faces the potential of increased regulation on some of the raw materials utilized in our packaging operations.

Our operations are subject to federal, state, provincial and local laws and regulations in multiple jurisdictions relating to some of the raw materials, such as epoxy-based coatings utilized in our container making process. Epoxy-based coatings may contain Bisphenol-A (BPA). Scientific evidence evaluated by regulatory agencies in the U.S., Canada, Europe, Japan, Australia and New Zealand has consistently shown these coatings to be safe for food contact at current levels, and these regulatory agencies have stated that human exposure to BPA from epoxy-based container coatings is well below safe exposure limits set by government bodies worldwide. A significant change in these regulatory agency statements, adverse information concerning BPA, or rulings made within certain federal, state, provincial and local jurisdictions could have a material adverse effect on our business, financial condition or results of operations. Ball recognizes that significant interest exists in non-epoxy based coatings, and we have been proactively working with coatings suppliers and our customers to evaluate alternatives to current coatings.

Net earnings and net assets could be materially affected by an impairment of goodwill.

We have a significant amount of goodwill recorded on the consolidated balance sheet as of December 31, 2017. We are required at least annually to test the recoverability of goodwill. The recoverability test of goodwill is based on the current fair value of our identified reporting units. Fair value measurement requires assumptions and estimates of many critical factors, including revenue and market growth, operating cash flows and discount rates. If general market conditions deteriorate in portions of our business, we could experience a significant decline in the fair value of reporting units. This decline could lead to an impairment of all or a significant portion of the goodwill balance, which could materially affect our U.S. GAAP net earnings and net assets. We continue to see the industry supply of beverage packaging exceed demand in China, resulting in significant pricing pressure and negative impacts on the profitability of our beverage packaging, Asia Pacific, reporting unit. If it becomes an expectation that this situation will continue for an extended period of time, it may result in a noncash impairment of some or all of the goodwill associated with this reporting unit, totaling \$78 million at December 31, 2017. The company's annual goodwill impairment test completed in the fourth quarter of 2017 indicated the estimated fair value of the beverage packaging, Asia Pacific, reporting unit exceeded its carrying amount, including goodwill, by 24 percent.

If the investments in Ball's pension plans, or in the multi-employer pension plans in which Ball participates, do not perform as expected, we may have to contribute additional amounts to the plans, which would otherwise be available for other general corporate purposes.

Ball maintains defined benefit pension plans covering substantially all of its North American and United Kingdom employees, which are funded based on certain actuarial assumptions. The plans' assets consist primarily of common stocks, fixed-income securities and, in the U.S., alternative investments. Market declines, longevity increases or legislative changes, such as the Pension Protection Act in the U.S., could result in a prospective decrease in our available cash flow and net earnings over time, and the recognition of an increase in our pension obligations could result in a reduction to our shareholders' equity. Additional risks exist related to the company's participation in multi-employer pension plans. Assets contributed to a multi-employer pension plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer in a multi-employer pension plan stops

contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participants. This could result in increases to our contributions to the plans as well as pension expense.

Restricted access to capital markets could adversely affect our short-term liquidity and prevent us from fulfilling our obligations under the notes issued pursuant to our bond indentures.

A reduction in global market liquidity could:

- restrict our ability to fund working capital, capital expenditures, research and development expenditures and other business activities;
- increase our vulnerability to general adverse economic and industry conditions, including the credit risks stemming from the economic environment;
- limit our flexibility in planning for, or reacting to, changes in our businesses and the industries in which we operate;
- restrict us from making strategic acquisitions or exploiting business opportunities; and
- limit, along with the financial and other restrictive covenants in our debt, among other things, our ability to borrow additional funds, dispose of assets, pay cash dividends or refinance debt maturities.

If market interest rates increase, our variable-rate debt will create higher debt service requirements, which would adversely affect our cash flow. While we sometimes enter into agreements limiting our exposure, any such agreements may not offer complete protection from this risk.

The global credit, financial and economic environment could have a negative impact on our results of operations, financial position or cash flows.

The overall credit, financial and economic environment could have significant negative effects on our operations, including:

- the creditworthiness of customers, suppliers and counterparties could deteriorate resulting in a financial loss or a disruption in our supply of raw materials;
- volatile market performance could affect the fair value of our pension assets, potentially requiring us to make significant additional contributions to our defined benefit pension plans to maintain prescribed funding levels;
- a significant weakening of our financial position or operating results could result in noncompliance with our debt covenants; and
- reduced cash flow from our operations could adversely affect our ability to execute our long-term strategy to increase liquidity, reduce debt, repurchase our stock and invest in our businesses.

Changes in U.S. generally accepted accounting principles (U.S. GAAP) and SEC rules and regulations could materially impact our reported results.

U.S. GAAP and SEC accounting and reporting changes are common and have become more frequent and significant over the past several years. These changes could have significant effects on our reported results when compared to prior periods and other companies and may even require us to retrospectively adjust prior periods. Additionally, material changes to the presentation of transactions in the consolidated financial statements could impact key ratios that analysts and credit rating agencies use to rate Ball and ultimately impact our ability to access the credit markets in an efficient manner.

Earnings and cash flows can be impacted by changes in tax laws.

As a U.S.-based multinational business, the company is subject to income tax in the U.S. and numerous jurisdictions outside the U.S. The relevant tax rules and regulations are complex, often changing and, in some cases, are interdependent. If these or other tax rules and regulations should change, the company's earnings and cash flows could be impacted.

In particular, the U.S. Tax Cuts and Jobs Act (the Act), which was signed into law on December 22, 2017, may result in fluctuations in the company's net earnings and cash flows. The Act introduced major changes to U.S. income tax law

that require significant judgment to interpret the impact of the provisions of the Act on the company's financial results. Due to the timing of its enactment and the complexity associated with the provisions of the Act, the company has made reasonable estimates of its effects where possible and has recorded provisional estimates in its financial statements for the year ended December 31, 2017. The Internal Revenue Service and the U.S. Treasury Department may issue subsequent guidance on the provisions of the Act that differs from our current interpretations. As we continue to collect data, prepare analyses, and interpret additional guidance provided by standard-setting bodies, we may make adjustments to these provisional estimates that could materially affect the company's financial results.

The company's worldwide provision for income taxes is determined, in part, through the use of significant estimates and judgments. Numerous transactions arise in the ordinary course of business where the ultimate tax determination is uncertain. The company undergoes tax examinations by various worldwide tax authorities on a regular basis. While the company believes its estimates of its tax obligations are reasonable, the final outcome after the conclusion of any tax examinations and any litigation could be materially different from what has been reflected in the company's historical financial statements.

Increased information technology (IT) security threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks, products, solutions and services.

Increased global IT security threats and more sophisticated and targeted computer crime pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. While we attempt to mitigate these risks by employing a number of measures, including employee training, comprehensive monitoring of our networks and systems, and maintenance of backup and protective systems, our systems, networks, products, solutions and services remain potentially vulnerable to advanced persistent threats. Depending on their nature and scope, such threats could potentially lead to the compromise of confidential information, improper use of our systems and networks, manipulation and destruction of data, defective products, production downtimes and operational disruptions, which in turn could adversely affect our reputation, competitiveness and results of operations.

A material weakness in our internal control over financial reporting could, if not remediated, result in material misstatements in our financial statements.

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act. As disclosed in Item 9A in the 2016 Form 10-K filing and Item 4 of the subsequent 2017 Form 10-Q filings, management identified a material weakness in internal control over financial reporting connected to deficiencies associated with the accounting for income taxes related to the sale of some of the company's existing beverage packaging businesses and select beverage can assets of Rexam (the Divestment Business) and the discrete income tax effects related to the acquisition of Rexam. A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. As a result of this material weakness, management concluded that internal control over financial reporting was not effective based on criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in "*Internal Control—An Integrated Framework* (2013)." During 2017, we proactively implemented a remediation plan designed to address this material weakness, which has been evaluated, and the material weakness is now considered remediated. If remedial measures are insufficient to address the material weakness, or if additional material weaknesses in internal control are discovered or occur in the future, our consolidated financial statements may contain material misstatements and we could be required to restate our financial results.

Significant developments stemming from the U.K.'s referendum on membership in the EU could have a material adverse effect on us.

In June 2016, the U.K. held a referendum and voted in favor of leaving the European Union (EU). This referendum has created political and economic uncertainty, particularly in the U.K. and the EU, and this uncertainty may last for years, particularly as the U.K. and the EU continue to negotiate the terms of withdrawal from the EU. Our business in the U.K., the EU and worldwide could be affected during this period of uncertainty, and perhaps longer, by the impact of the U.K.'s referendum and withdrawal from the EU. There are many ways in which our business could be affected, only some of which we can identify at the present time.

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The referendum, and the likely withdrawal of the U.K. from the EU it triggers, has caused and, along with events that could occur in the future as a consequence of the U.K.'s withdrawal, including the possible breakup of the U.K. or the EU, may continue to cause significant volatility in global financial markets, including in global currency and debt markets. This volatility could cause a slowdown in economic activity in the U.K., Europe or globally, which could adversely affect our operating results and growth prospects. In addition, our business could be negatively affected by new trade agreements between the U.K. and other countries, including the U.S., and by the possible imposition of trade or other regulatory barriers in the U.K. These possible negative impacts, and others resulting from the U.K.'s actual or threatened withdrawal from the EU, may adversely affect our operating results and growth prospects.

Item 1B. Unresolved Staff Comments

There were no matters required to be reported under this item.

Item 2. Properties

The company's properties described below are well maintained, and management considers them to be adequate and utilized for their intended purposes.

Ball's corporate headquarters and the aerospace segment management offices are located in Broomfield, Colorado, U.S.. The operations of the aerospace segment occupy a variety of company-owned and leased facilities in Colorado, U.S., which together aggregate 1.7 million square feet of office, laboratory, research and development, engineering and test and manufacturing space. Other aerospace operations carry on business in smaller company owned and leased facilities in other U.S. locations outside of Colorado.

The offices of the company's various North and Central American beverage and food and aerosol packaging operations are located in Westminster, Colorado, U.S.; the offices for the European beverage packaging operations are located in Luton, U.K.; the offices for AMEA beverage packaging operations are located in Dubai, United Arab Emirates; the offices for the Asia Pacific beverage packaging operations are located in Hong Kong; and the South America beverage packaging offices are located in Rio de Janeiro, Brazil. The company's research and development facilities are primarily located in Westminster, Colorado, U.S.

Information regarding the approximate size of the manufacturing locations for significant packaging operations, which are owned or leased by the company, is set forth below. Facilities in the process of being constructed, or that have ceased

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production, have been excluded from the list. Where certain locations include multiple facilities, the total approximate size for the location is noted. In addition to the facilities listed, the company leases other warehousing space.

Plant Location	Approximate Floor Space in Square Feet
<i>Beverage packaging, North and Central America:</i>	
Birmingham, Alabama	140,000
Chatsworth, California	351,000
Conroe, Texas	275,000
Fairfield, California	337,000
Findlay, Ohio (a)	733,000
Fort Atkinson, Wisconsin	250,000
Fort Worth, Texas	322,000
Golden, Colorado	509,000
Kapolei, Hawaii	131,000
Kent, Washington	127,000
Longview, Texas	332,000
Monterrey, Mexico	440,000
Monticello, Indiana	356,000
Phoenix, Arizona	106,000
Queretaro, Mexico	253,000
Rome, Georgia	386,000
Saint Paul, Minnesota	165,000
Saratoga Springs, New York	290,000
Tampa, Florida	276,000
Wallkill, New York	312,000
Whitby, Ontario, Canada	205,000
Williamsburg, Virginia	400,000
<i>Beverage packaging, South America:</i>	
Aguas Claras, Brazil	292,000
Belem, Brazil	165,000
Brasilia, Brazil	267,000
Buenos Aires, Argentina	183,000
Cuiaba, Brazil	182,000
Extrema, Brazil	280,000
Jacarei, Sao Paulo, Brazil	388,000
Manaus, Brazil	119,000
Pouso Alegre, Brazil	430,000
Recife, Brazil	380,000
Santa Cruz, Brazil	311,000
Santiago, Chile	275,000
Simoes Filho, Brazil	106,000
Tres Rios, Rio de Janeiro, Brazil	734,000

(a) Includes both metal beverage container and metal food container manufacturing operations.

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Plant Location	Approximate Floor Space in Square Feet
<i>Beverage packaging, Europe:</i>	
Argayash, Russia	256,000
Belgrade, Serbia	313,000
Bierne, France	274,000
Ejpvovice, Czech Republic	185,000
Fosie, Sweden	669,000
Fredericia, Denmark	318,000
Gelsenkirchen, Germany	378,000
La Selva, Spain	278,000
Lublin, Poland	280,000
Ludesch, Austria	337,000
Mantsala, Finland	230,000
Milton Keynes, United Kingdom	148,000
Mont, France	45,000
Naro Fominsk, Russia	544,000
Nogara, Italy	122,000
San Martino, Italy	184,000
Vsevolzhsk, Russia	316,000
Wakefield, United Kingdom	269,000
Waterford, Ireland	129,000
Widnau, Switzerland	321,000
<i>Beverage packaging, AMEA:</i>	
Cairo, Egypt	201,000
Dammam, Saudi Arabia	416,000
Manisa, Turkey	173,000
Mumbai, India	175,000
Sri City, India	215,000
<i>Beverage packaging, Asia Pacific:</i>	
Beijing, PRC	303,000
Hubei (Wuhan), PRC	416,000
Qingdao, PRC	326,000
Sanshui (Foshan), PRC	672,000
Yangon, Myanmar	432,000
<i>Food & Aerosol:</i>	
Ahmedabad, India	58,000
Beaurepaire, France	89,000
Bellegarde, France	124,000
Buenos Aires, Argentina	34,000
Canton, Ohio	266,000
Chestnut Hill, Tennessee	305,000
Columbus, Ohio	380,000
DeForest, Wisconsin	400,000
Devizes, United Kingdom	110,000
Findlay, Ohio (a)	733,000
Horsham, Pennsylvania	162,000
Milwaukee, Wisconsin	502,000
Oakdale, California	370,000
San Luis, Argentina	51,000
San Luis Potosí, Mexico	158,000
Sherbrooke, Quebec, Canada	100,000
Springdale, Arkansas	286,000
Velim, Czech Republic	252,000
Verona, Virginia	72,000

(a) Includes both metal beverage container and metal food container manufacturing operations.

Item 3. Legal Proceedings

Details of the company’s legal proceedings are included in Note 21 to the consolidated financial statements within Item 8 of this annual report.

Item 4. Mine Safety Disclosures

Not applicable.

Part II.

Item 5. Market for the Registrant’s Common Stock and Related Stockholder Matters

Ball Corporation common stock (BLL) is listed for trading on the New York Stock Exchange. There were 5,737 common shareholders of record on February 20, 2018.

Common Stock Repurchases

The following table summarizes the company’s repurchases of its common stock during the quarter ended December 31, 2017.

(\$ in millions)	Purchases of Securities		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (b)
	Total Number of Shares Purchased (a)	Average Price Paid per Share		
October 1 to October 31, 2017	—	\$ —	—	18,436,374
November 1 to November 30, 2017	270,476	40.45	270,476	18,165,898
December 1 to December 31, 2017	—	—	—	18,165,898
Total	270,476	—	270,476	

- (a) Includes any open market purchases (on a trade-date basis) and/or shares retained by the company to settle employee withholding tax liabilities.
- (b) The company has an ongoing repurchase program for which shares are authorized from time to time by Ball’s Board of Directors. On January 29, 2014, the Board authorized the repurchase by the company of up to a total of 40 million shares, as retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017. This repurchase authorization replaced all previous authorizations.

Quarterly Stock Prices and Dividends

Quarterly prices for the company’s common stock, as reported on the New York Stock Exchange composite tape, and quarterly dividends in 2017 and 2016 (on a calendar quarter basis) were:

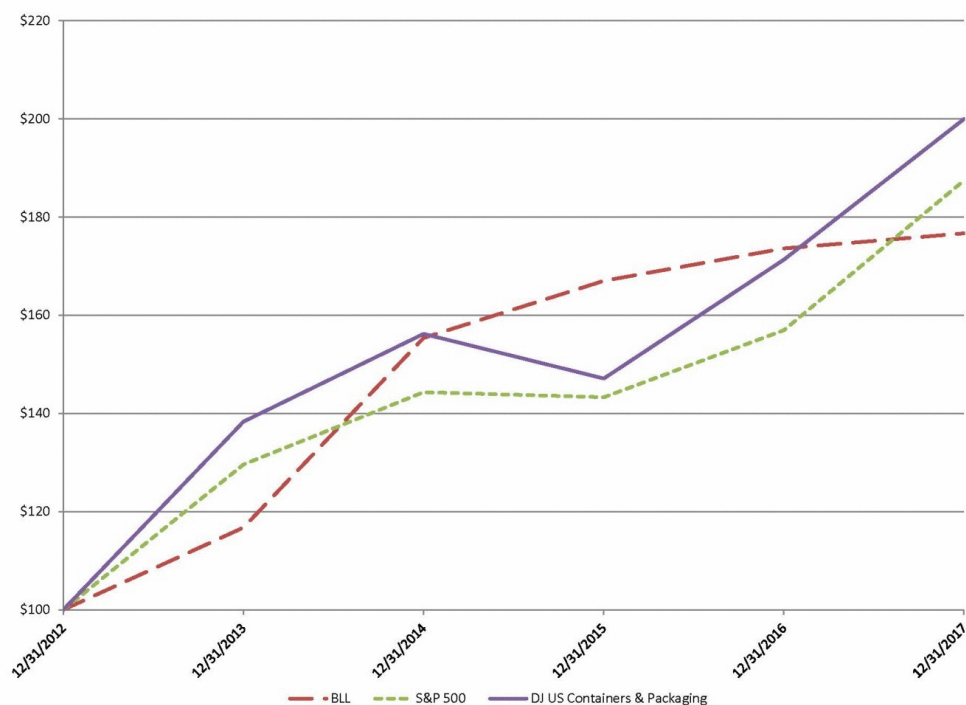
	2017				2016			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
High (a)	\$ 43.24	\$43.06	\$42.73	\$38.68	\$ 41.07	\$41.12	\$38.35	\$36.50
Low (a)	37.36	38.79	35.65	36.00	36.22	34.34	33.76	31.15
Dividends per share (a)	0.10	0.10	0.10	0.065	0.065	0.065	0.065	0.065

- (a) Amounts in the first and second quarters of 2017 and all four quarters of 2016 have been retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017.

Shareholder Return Performance

The line graph below compares the annual percentage change in Ball Corporation’s cumulative total shareholder return on its common stock with the cumulative total return of the Dow Jones Containers & Packaging Index and the S&P Composite 500 Stock Index for the five-year period ended December 31, 2017. It assumes \$100 was invested on December 31, 2012, and that all dividends were reinvested. The Dow Jones Containers & Packaging Index total return has been weighted by market capitalization.

TOTAL RETURN TO STOCKHOLDERS
(Assumes \$100 investment on 12/31/12)



Total Return Analysis

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
BLL	\$ 100.00	\$ 116.76	\$ 155.39	\$ 167.03	\$ 173.62	\$ 176.71
S&P 500	100.00	129.60	144.36	143.31	156.98	187.47
DJ US Containers & Packaging	100.00	138.35	156.21	147.13	171.35	199.98

Source: Bloomberg L.P.® Charts

Item 6. Selected Financial Data

**Five-Year Review of Selected Financial Data
Ball Corporation**

(\$ in millions, except per share amounts)	2017	2016	2015	2014	2013
Net sales	\$ 10,983	\$ 9,061	\$ 7,997	\$ 8,570	\$ 8,468
Earnings before interest and taxes (EBIT)	\$ 802	\$ 463	\$ 606	\$ 839	\$ 795
Total interest expense	(288)	(338)	(260)	(193)	(212)
Earnings before taxes	<u>\$ 514</u>	<u>\$ 125</u>	<u>\$ 346</u>	<u>\$ 646</u>	<u>\$ 583</u>
Net earnings attributable to Ball Corporation from:					
Continuing operations (a)	\$ 374	\$ 263	\$ 281	\$ 470	\$ 406
Discontinued operations	—	—	—	—	1
Total net earnings attributable to Ball Corporation (a)	<u>\$ 374</u>	<u>\$ 263</u>	<u>\$ 281</u>	<u>\$ 470</u>	<u>\$ 407</u>
Basic earnings per share: (c)					
Basic – continuing operations (a)	\$ 1.07	\$ 0.83	\$ 1.02	\$ 1.70	\$ 1.39
Basic – discontinued operations	—	—	—	—	—
Basic earnings per share (a)	<u>\$ 1.07</u>	<u>\$ 0.83</u>	<u>\$ 1.02</u>	<u>\$ 1.70</u>	<u>\$ 1.39</u>
Weighted average common shares outstanding (000s) (c)					
	<u>350,269</u>	<u>316,542</u>	<u>274,600</u>	<u>277,016</u>	<u>291,886</u>
Diluted earnings per share: (c)					
Diluted – continuing operations (a)	\$ 1.05	\$ 0.81	\$ 1.00	\$ 1.65	\$ 1.36
Diluted – discontinued operations	—	—	—	—	—
Diluted earnings per share (a)	<u>\$ 1.05</u>	<u>\$ 0.81</u>	<u>\$ 1.00</u>	<u>\$ 1.65</u>	<u>\$ 1.36</u>
Diluted weighted average common shares outstanding (000s) (c)					
	<u>356,985</u>	<u>322,884</u>	<u>281,968</u>	<u>284,860</u>	<u>298,446</u>
Total assets	\$ 17,169	\$ 16,173	\$ 9,697	\$ 7,535	\$ 7,774
Total interest bearing debt and capital lease obligations	\$ 6,971	\$ 7,532	\$ 5,051	\$ 3,133	\$ 3,559
Cash dividends per share (c)	\$ 0.365	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26
Total cash provided by operating activities	\$ 1,478	\$ 194	\$ 1,007	\$ 1,012	\$ 839
Non-GAAP Measures (b)					
Comparable operating earnings	\$ 1,220	\$ 976	\$ 801	\$ 920	\$ 874
Comparable net earnings	\$ 728	\$ 563	\$ 490	\$ 553	\$ 490
Diluted earnings per share (comparable basis) (c)	\$ 2.04	\$ 1.74	\$ 1.74	\$ 1.94	\$ 1.64
Free cash flow	\$ 922	\$ (412)	\$ 479	\$ 621	\$ 461

(a) Includes business consolidation and other activities and other items affecting comparability between years. Additional details regarding the 2017, 2016 and 2015 items are available in Note 5 to the consolidated financial statements within Item 8 of this Annual Report on Form 10-K.

(b) Non-U.S. GAAP measures should not be considered in isolation and should not be considered superior to, or a substitute for, financial measures calculated in accordance with U.S. GAAP. See below for reconciliations of non-U.S. GAAP financial measures to U.S. GAAP measures. Further discussion of non-GAAP financial measures is

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available in Item 7 of this Annual Report on Form 10-K under Management Performance Measurements and Other Liquidity Measures.

(c) Amounts in 2016, 2015, 2014 and 2013 have been retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017.

Reconciliations of non-U.S. GAAP financial measures to U.S. GAAP measures are as follows:

(\$ in millions)	2017	2016	2015	2014	2013
Net earnings attributable to Ball Corporation	\$ 374	\$ 263	\$ 281	\$ 470	\$ 407
Add: Net earnings attributable to noncontrolling interests	6	3	22	28	28
Net earnings	380	266	303	498	435
Less: Equity in results of affiliates, net of tax	(31)	(15)	(4)	(2)	(1)
Add: Tax provision (benefit)	165	(126)	47	150	149
Earnings before taxes, as reported	514	125	346	646	583
Total interest expense	288	338	260	193	212
Earnings before interest and taxes (EBIT)	802	463	606	839	795
Business consolidation and other activities	221	337	195	81	79
Amortization of acquired Rexam intangibles	162	65	—	—	—
Catch-up depreciation and amortization for 2016 from finalization of Rexam valuation	35	—	—	—	—
Cost of sales associated with Rexam inventory step-up	—	84	—	—	—
Egyptian pound devaluation	—	27	—	—	—
Comparable Operating Earnings	<u>\$ 1,220</u>	<u>\$ 976</u>	<u>\$ 801</u>	<u>\$ 920</u>	<u>\$ 874</u>
Net earnings attributable to Ball Corporation, as reported	\$ 374	\$ 263	\$ 281	\$ 470	\$ 407
Business consolidation and other activities	221	337	195	81	79
Amortization of acquired Rexam intangibles	162	65	—	—	—
Catch-up depreciation and amortization for 2016 from finalization of Rexam valuation	35	—	—	—	—
Cost of sales associated with Rexam inventory step-up	—	84	—	—	—
Egyptian pound devaluation	—	27	—	—	—
Debt refinancing and other costs	3	109	117	33	28
Discontinued operations	—	—	—	—	(1)
Tax effect on above items	(150)	(322)	(103)	(31)	(23)
Impact of U.S. tax reform	83	—	—	—	—
Net earnings attributable to Ball Corporation before above transactions (Comparable Net Earnings)	<u>\$ 728</u>	<u>\$ 563</u>	<u>\$ 490</u>	<u>\$ 553</u>	<u>\$ 490</u>
Total cash provided by operating activities (a)	\$ 1,478	\$ 194	\$ 1,007	\$ 1,012	\$ 839
Capital expenditures	(556)	(606)	(528)	(391)	(378)
Free cash flow	<u>\$ 922</u>	<u>\$ (412)</u>	<u>\$ 479</u>	<u>\$ 621</u>	<u>\$ 461</u>

(a) Includes payments of costs associated with the acquisition of Rexam and the sale of the Divestment Business.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Management’s discussion and analysis should be read in conjunction with the consolidated financial statements and accompanying notes included in Item 8 of this Annual Report on Form 10-K (annual report), which include additional information about our accounting policies, practices and the transactions underlying our financial results. The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires us to make estimates and assumptions that affect the reported amounts in our consolidated financial statements and the accompanying notes including various claims and contingencies related to lawsuits, taxes, environmental and other matters arising during the normal course of business. We apply our best judgment, our knowledge of existing facts and circumstances and actions that we may undertake in the future in determining the estimates that affect our consolidated financial statements. We evaluate our estimates on an ongoing basis using our historical experience, as well as other factors we believe appropriate under the circumstances, such as current economic conditions, and adjust or revise our estimates as circumstances change. As future events and their effects cannot be determined with precision, actual results may differ from these estimates. Ball Corporation and its subsidiaries are referred to collectively as “Ball Corporation,” “Ball,” “the company,” “we” or “our” in the following discussion and analysis.

OVERVIEW

Business Overview and Industry Trends

Ball Corporation is one of the world’s leading suppliers of metal packaging to the beverage, food, personal care and household products industries. Our packaging products are produced for a variety of end uses, are manufactured in facilities around the world and are competitive with other substrates, such as plastics and glass. In the rigid packaging industry, sales and earnings can be increased by reducing costs, increasing prices, developing new products, expanding volumes and making strategic acquisitions. We also provide aerospace and other technologies and services to governmental and commercial customers.

We sell our packaging products mainly to large, multinational beverage, food, personal care and household products companies with which we have developed long-term relationships. This is evidenced by our high customer retention and our large number of long-term supply contracts. While we have a diversified customer base, we sell a significant portion of our packaging products to major companies and brands, as well as to numerous regional customers. The overall metal container industry is growing globally and is expected to continue to grow in the medium to long term despite the North American industry having seen recent declines in standard-sized aluminum beverage packaging for the carbonated soft drink market. The primary customers for the products and services provided by our aerospace segment are U.S. government agencies or their prime contractors.

We purchase our raw materials from relatively few suppliers. We also have exposure to inflation, in particular the rising costs of raw materials, as well as other direct cost inputs. We mitigate our exposure to the changes in the costs of metal through the inclusion of provisions in contracts covering the majority of our volumes to pass through metal price changes, as well as through the use of derivative instruments. The pass-through provisions generally result in proportional increases or decreases in sales and costs with a greatly reduced impact, if any, on net earnings. Because of our customer and supplier concentration, our business, financial condition and results of operations could be adversely affected by the loss, insolvency or bankruptcy of a major customer or supplier or a change in a supply agreement with a major customer or supplier, although our contract provisions generally mitigate the risk of customer loss, and our long-term relationships represent a known, stable customer base.

We recognize sales under long-term contracts in our aerospace segment using percentage-of-completion under the cost-to-cost method of accounting. Throughout the period of contract performance, we regularly reevaluate and, if necessary, revise our estimates of aerospace total contract revenue, total contract cost and progress toward completion. Because of contract payment schedules, limitations on funding and other contract terms, our sales and accounts receivable for this segment include amounts that have been earned but not yet billed.

Corporate Strategy

Our Drive for 10 vision encompasses five strategic levers that are key to growing our business and achieving long-term success. Since launching Drive for 10 in 2011, we have made progress on each of the levers as follows:

- Maximizing value in our existing businesses by rationalizing standard beverage container and end capacity in North America and Europe, and expanding specialty container production to meet current demand; leveraging plant floor systems in our beverage facilities to improve efficiencies and reduce costs; consolidating and/or closing multiple beverage and food and aerosol packaging facilities to gain efficiencies; and in the aerosol business, installing new extruded aluminum aerosol lines in our European and Indian facilities while also implementing cost-out and value-in initiatives across all of our businesses;
- Expanding further into new products and capabilities through our acquisition of Sonoco's metal end and closure manufacturing facilities in Canton, Ohio, in February 2015; successfully commercializing extruded aluminum aerosol packaging that utilizes proprietary technology to significantly lightweight the can; and successfully commercializing the next-generation aluminum bottle-shaping technology;
- Aligning ourselves with the right customers and markets by investing capital to meet continued growth for specialty beverage containers throughout our global network, which represent approximately 37 percent of our global beverage packaging mix; aligning with craft brewers, sparkling water fillers, wine producers and other new beverage producers who continue to use beverage containers to grow their business;
- Broadening our geographic reach with our acquisition of Rexam and our new investments in a beverage manufacturing facility in Myanmar, as well as an extruded aluminum aerosol manufacturing facility in India and the construction of new beverage can and end facilities in Monterrey, Mexico, and in our Central American joint venture; and
- Leveraging our technological expertise in packaging innovation, including the introduction of next-generation aluminum bottle-shaping technologies, the introduction of a new two-piece, lightweight steel aerosol can, G3 and the increased production of lightweight ReAl® containers, which utilize technology that increases the strength of aluminum used in the manufacturing process while lightweighting the can by 15 percent over a standard aluminum aerosol can and investment in cyber and data analytics to further enhance our aerospace technical expertise across a broader customer portfolio.

These ongoing business developments and the successful acquisition of Rexam completed on June 30, 2016, help us stay close to our customers while expanding and/or sustaining our industry positions and global reach with major beverage, food, personal care, household products and aerospace customers.

RESULTS OF OPERATIONS

Management's discussion and analysis for our results of operations on a consolidated and segment basis include a quantification of factors that had a material impact. Other factors that did not have a material impact, but that are significant to understand the results, are qualitatively described.

Consolidated Sales and Earnings

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Net sales	\$ 10,983	\$ 9,061	\$ 7,997
Net earnings attributable to Ball Corporation	374	263	281
Net earnings attributable to Ball Corporation as a % of consolidated net sales	3 %	3 %	4 %

Sales in 2017 were \$1.9 billion higher compared to 2016 primarily as a result of increased sales volumes for our North and Central America, South America and Europe segments, increased pass through of higher metal prices for our North and Central America and South America segments, favorable currency exchange effects for our Europe segment,

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favorable product mix for our South America segment and increased sales in our aerospace segment. Sales volumes for the year ended December 31, 2017 for our North and Central America, South America and Europe segments were higher compared to the same period in 2016 primarily as a result of 2017 including twelve months of sales volumes from the acquired Rexam business, while 2016 included six months of sales volumes from the acquired Rexam business and six months of sales volumes from the company's legacy business, a significant portion of which was sold with the Divestment Business. The South America segment experienced organic sales growth, and increased sales from significant U.S. national defense contracts drove revenue growth in the aerospace segment.

Net earnings attributable to Ball Corporation in 2017 were \$111 million higher than 2016 primarily due to increased earnings related to higher sales volumes in the South America, Europe and North and Central America beverage can segments, synergy realizations, lower cost of sales in 2017 compared to 2016 which included \$84 million for the step-up of inventory related to the acquired Rexam business, lower debt refinancing and other costs in 2017 and a decrease in business consolidation and other activities in 2017, partially offset by higher incremental depreciation. These impacts on net earnings were partially offset by higher tax expense in 2017, due principally to provisional charges from the U.S. Tax Cuts and Jobs Act which was signed into law on December 22, 2017, income tax benefits in 2016 associated with the restructure of Brazil legal entities as a result of the sale of the Divestment Business, the tax benefit on transaction costs and derivative costs of the Rexam acquisition and sale of the Divestment Business in 2016.

Debt refinancing and other costs in 2017 were lower compared to 2016, which included costs on debt associated with the Rexam acquisition. See Note 13 located in Item 8 of this annual report for additional information on the activity in debt refinancing and other costs.

The increase in net sales in 2016 compared to 2015 was primarily due to sales of \$1.5 billion related to the acquired Rexam business, net of Ball's legacy sales included in the Divestment Business. This increase was partially offset by lower metal input costs passed through to customers of \$299 million. Net earnings were lower in 2016 compared to 2015 due to higher business consolidation and other activities from increased costs associated with the Rexam acquisition and the sale of the Divestment Business, increased depreciation and amortization primarily attributable to depreciation and amortization associated with the acquired Rexam business, recognition in cost of sales of \$84 million step-up of inventory related to the acquired Rexam business, higher interest expense associated with the net increase in borrowings to fund the cash portion of the purchase price of Rexam and increased selling, general and administrative costs also due to costs from the acquired Rexam business. These decreases were partially offset by a gain of \$344 million in 2016 recognized on the sale of the Ball legacy portion of the Divestment Business, lower income tax expense in 2016 compared to 2015 primarily due to the tax impacts of the sale of the Divestment Business, earnings from the increase in net sales from the acquired Rexam business, net of the sale of Ball's legacy portion of the Divestment Business, lower net earnings attributable to noncontrolling interests and higher equity in results of affiliates.

The decreased debt refinancing and other costs in 2016 compared to 2015 included mark-to-market losses on derivative financial instruments designed to mitigate exposure to interest rate changes for debt issuances related to the Rexam acquisition, interest expense on issued 3.5 percent and 4.375 percent senior notes used to fund a portion of the purchase price for the Rexam acquisition, the write off of unamortized deferred financing charges for the partial extinguishment of the committed bridge loan agreement, and the revolving credit facility and amortization of deferred financing costs for the committed bridge loan agreement. See Note 13 located in Item 8 of this annual report for additional information on financial instruments.

Cost of Sales (Excluding Depreciation and Amortization)

Cost of sales, excluding depreciation and amortization, was \$8,717 million in 2017 compared to \$7,296 million in 2016 and \$6,460 million in 2015. These amounts represented 79 percent, 81 percent and 81 percent of consolidated net sales for the years ended 2017, 2016 and 2015, respectively. Cost of sales in 2016 included expense of \$84 million for the step-up of inventory related to the acquired Rexam business.

Depreciation and Amortization

Depreciation and amortization expense was \$729 million in 2017 compared to \$453 million in 2016 and \$286 million in 2015. These amounts represented 7 percent, 5 percent and 4 percent of consolidated net sales for 2017, 2016 and 2015, respectively. The expense was higher in 2017 compared to 2016 due to increased depreciation of fixed assets and amortization of intangible assets following the Rexam acquisition. During 2017, the company finalized the valuation of

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the assets acquired in the Rexam acquisition. As a result, depreciation and amortization expense for 2017 included a cumulative catch-up adjustment of \$35 million related to the last six months of 2016. Depreciation expense was higher in 2016 compared to 2015 primarily due to the acquired Rexam fixed assets. Amortization expense in 2017 and 2016 included \$162 million and \$65 million, respectively, for the amortization of acquired Rexam intangibles.

Selling, General and Administrative

Selling, general and administrative (SG&A) expenses were \$514 million in 2017 compared to \$512 million in 2016 and \$450 million in 2015. These amounts represented 5 percent, 6 percent and 6 percent of consolidated net sales for those three years, respectively. The lower percentage of SG&A expense in 2017 as compared to 2016 was primarily due to office closures and various other cost-out initiatives implemented by the company in relation to the acquired Rexam business. The increase in SG&A expenses in 2016 compared to 2015 was primarily due to additional SG&A from the acquired Rexam business and foreign exchange losses of \$27 million for the devaluation of the Egyptian pound in the fourth quarter of 2016.

Business Consolidation Costs and Other Activities

Business consolidation and other activities were \$221 million in 2017 compared to \$337 million in 2016 and \$195 million in 2015. These amounts represented 2 percent, 4 percent and 2 percent of consolidated net sales for the three years, respectively.

The year-over-year decrease in business consolidation and other activities in 2017 compared to 2016 was primarily due to a decrease of \$322 million in Rexam transaction related costs and \$83 million of Rexam acquisition related compensation arrangements and a decrease of \$173 million in foreign currency exchange losses associated with the Rexam transaction. These impacts were partially offset by a decrease of \$289 million in the gain recognized in connection with the sale of the Ball portion of the Divestment Business, an increase of \$99 million related to completed and pending plant closures, an increase of \$44 million related to the settlement of certain Ball U.S. defined benefit pension plans and an increase of \$34 million for indemnification of certain tax matters provided to the buyer in the sale of the Divestment Business. See Note 5 located in Item 8 of this annual report for additional information on the activity in business consolidation and other activities.

The year-over-year increase in business consolidation and other activities for 2016 compared to 2015 was primarily due to an increase of \$202 million for transaction related costs, foreign currency exchange losses of \$159 million on foreign currency-denominated restricted cash and debt and \$108 million in expense for compensation arrangements, all associated with the Rexam acquisition and the sale of the Divestment Business. The increase was partially offset by a gain of \$344 million in connection with the sale of the Divestment Business. The valuations of currency exchange and interest rates were a primary driver for the amounts recorded in business consolidation and other activities in 2016. See Notes 4 and 5 located in Item 8 of this annual report for additional information on the Rexam transaction and business consolidation and other activities.

Interest Expense

Total interest expense was \$288 million in 2017 compared to \$338 million in 2016 and \$260 million in 2015. Excluding debt refinancing and other costs, interest expense in 2017 was higher than in 2016 as the average level of debt held during the year was higher following the Rexam acquisition. Excluding debt refinancing and other costs, interest expense in 2016 was higher compared to 2015 as the company incurred additional debt to pay a portion of the cash consideration due to Rexam's shareholders for the Rexam acquisition. Interest expense, excluding the effect of debt refinancing and other costs, as a percentage of average monthly borrowings was 4 percent in each of the years 2017, 2016 and 2015.

Debt refinancing and other costs were \$3 million for the year ended December 31, 2017, as compared to \$109 million for the year ended December 31, 2016. The amount for the year ended 2016 consisted mainly of (1) interest expense of \$49 million through June 30, 2016, on the 3.5 percent and 4.375 percent senior notes issued in December 2015, (2) fair value changes of \$20 million on derivative instruments designed to mitigate risks of interest rate changes with debt issuances, (3) interest expense of \$30 million through June 30, 2016, on Term A U.S. dollar and Term A euro dollar loans associated with the company's credit facility, and (4) amortization of deferred financing fees of \$7 million for the

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Bridge Facility. See Notes 13 and 19 in Item 8 of this annual report for additional information on these instruments and the transactions flowing through debt refinancing and other costs.

Debt refinancing and other costs were \$117 million for the year ended December 31, 2015. These costs consisted of (1) interest expense of \$5 million on senior notes issued in December 2015 to fund a portion of the cash consideration of the Rexam acquisition, (2) fair value changes of \$16 million on derivative instruments designed to mitigate risks of interest rate changes with anticipated debt issuances for a portion of the cash consideration payable in the acquisition of Rexam, (3) write offs of unamortized deferred financing fees and other charges of \$16 million for the partial extinguishment of the committed bridge loan agreement, the partial extinguishment of the revolving credit facility, and refinancing of the senior credit facility, (4) the amortization of deferred financing fees of \$23 million on the Bridge Facility, and (5) write off of unamortized deferred financing fees and premiums of \$57 million for the redemption of previously issued senior notes and the refinancing of senior credit facilities. See Notes 13 and 19 in Item 8 of this annual report for additional information on these instruments and the transactions flowing through debt refinancing and other costs.

Tax Provision

The effective tax rate is affected by recurring items such as income earned in foreign jurisdictions with tax rates that differ from the U.S. tax rate and by discrete items that may occur in any given year but are not consistent from year to year.

The 2017 effective income tax rate was 32.1 percent compared to negative 100.8 percent for 2016. The effective rate was increased by 16.1 percent for U.S. tax reform, including the impact of the transition tax and remeasurement of the company's net deferred tax asset in the U.S., and by 3.5 percent for discrete tax costs associated with certain business dispositions. The effective rate was reduced by 7.2 percent for the impact of the foreign tax rate differential, net of valuation allowance impact, and tax holidays versus the U.S. tax rate and by 5.4 percent for the impact of current year changes in various foreign tax laws including the U.K. The 2017 effective rate was also reduced by 3.1 percent for the discrete tax benefit associated with the adoption in the first quarter of 2017 of amendments to existing accounting guidance for stock-based compensation, by 1.8 percent for the impact of the U.S. R&D credit, and by 1.6 percent for the impact of the U.S. domestic manufacturing deduction and of the foregoing, the impact of U.S. tax reform, discrete tax costs associated with certain business dispositions, the impact of current year changes to certain foreign tax laws and the impact of the domestic manufacturing deduction are primarily related to discrete transactions or changes in tax law that are not expected to recur in future periods.

The 2016 full year effective income tax rate was negative 100.8 percent compared to 13.6 percent for 2015. The lower tax rate in 2016 compared to 2015 was primarily due to a 116.0 percentage point reduction for the tax benefit recorded with respect to tax deductible goodwill in a legal entity restructuring in Brazil that was completed in 2016. The tax rate was also reduced by 56.8 percentage points for increased benefits from foreign tax rate differences, primarily due to acquisitions, and by 49.6 percentage points for permanent tax differences on significant 2016 business dispositions. These amounts were partially offset by a 41.6 percentage point increase for non-deductible transaction costs related to 2016 acquisitions and a 36.8 percentage point increase for increases in valuation allowances, primarily on losses in the U.K. In 2016, we incurred a significant amount of nonrecurring business consolidation costs primarily in the U.S. The resulting reduction in earnings before income tax as a result of these costs increased the impact of permanent income tax items on the company's effective tax rate in 2016 as compared to 2015.

On December 22, 2017, the U.S. Tax Cuts and Jobs Act (the Act) was signed into law. The Act significantly changed U.S. income tax law by, among other things, reducing the U.S. federal income tax rate from 35 percent to 21 percent, transitioning from a global tax system to a modified territorial tax system, eliminating the domestic manufacturing deduction, providing for immediate expensing of certain qualified capital expenditures and limiting the tax deductions for interest expense and executive compensation. In the fourth quarter of 2017, the company recorded tax expense of \$83 million for the estimated impact of the mandatory deemed repatriation of its foreign earnings and revaluation of its U.S. deferred tax assets and liabilities. The company's review of the implications of the Act will be ongoing throughout 2018, and as such, adjustments to any provisional estimates of the Act's impact may be required. These provisional estimates are as follows:

- Reduction of U.S. federal corporate tax rate: The company has recorded a provisional increase to tax expense of \$52 million for the estimated impact of revaluing its net deferred tax asset position in the U.S. at the new

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21 percent corporate tax rate. While this is a reasonable estimate, it may be impacted by other analyses related to the Act, including the calculation of the transition tax;

- **Transition tax:** The company has recorded a provisional increase to tax expense of \$31 million to reflect the impact of the tax on accumulated untaxed earnings and profits (E&P) of certain foreign affiliates. To determine the amount of the transition tax, the amount of the post-1986 E&P and the amount of non-U.S. income taxes paid on such earnings must be calculated for all relevant foreign affiliates. While this estimated impact is reasonable, additional information will be gathered and analyzed in order to more precisely calculate the final impact of the transition tax;
- **Valuation allowances:** The company must assess the impact of the various aspects of the Act on its valuation allowance analyses, including the transition tax. As the company has recorded provisional estimates with respect to certain aspects of the Act, any corresponding impacts from changes in valuation allowances are also provisional estimates; and
- **Cost recovery:** The company has made a provisional estimate of the impact on its current tax expense and deferred tax liabilities associated with the new immediate expensing provisions for certain qualifying expenditures made after September 27, 2017. The estimate will be refined as the necessary computations are completed with respect to the full inventory of all qualifying 2017 expenditures.

Due to the complexity of the new provisions for global intangible low-taxed income (GILTI) and the base erosion anti-abuse tax (BEAT), the company is continuing to evaluate the accounting implications of these provisions of the Act. The company is allowed to make an accounting policy choice of either (1) treating taxes due for GILTI or BEAT as a current-period expense when incurred or (2) factoring such amounts into the company's measurement of its deferred taxes. The calculation of the impact and selection of an accounting policy will depend on a detailed analysis of the company's global income and other tax attributes to determine the potential impact, if any, of these provisions. The company is not currently able to determine a reasonable estimate for these items. As a result, no estimate has been recorded and no policy decision has yet been made regarding whether to factor the impact of GILTI or BEAT into the company's measurement of its deferred taxes.

In future periods, while we cannot estimate the impact on our effective tax rate, the company expects the Act to favorably impact net earnings, diluted earnings per share and cash flows, primarily due to the reduction in the federal corporate tax rate effective as of January 1, 2018. We do not expect the Act to have a material impact on our state income tax.

Results of Business Segments

Segment Results

Ball's operations are organized and reviewed by management along its product lines and geographical areas and its operating results are presented in the five reportable segments discussed below.

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Beverage Packaging, North and Central America

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Net sales	\$ 4,178	\$ 3,612	\$ 3,202
Comparable operating earnings	533	469	402
Business consolidation and other activities (a)	(47)	(20)	(19)
Amortization of acquired Rexam intangibles	(32)	(11)	—
Catch-up depreciation and amortization for 2016 from finalization of Rexam valuation (b)	(6)	—	—
Cost of sales associated with Rexam inventory step-up	—	(10)	—
Total segment earnings	\$ 448	\$ 428	\$ 383
Comparable operating earnings as a % of segment net sales	13 %	13 %	13 %

(a) Further details of these items are included in Note 5 to the consolidated financial statements within Item 8 of this annual report.

(b) Catch-up depreciation and amortization of \$6 million related to the last six months of 2016 was recorded during 2017, as a result of the finalization of fixed asset and intangible asset valuations and useful lives for the Rexam acquisition during the second quarter of 2017.

The beverage packaging, North and Central America, segment consists of operations located in the U.S., Canada and Mexico that manufacture aluminum containers used in beverage packaging. In August 2017, the company announced that the Birmingham, Alabama, Chatsworth, California, and Longview, Texas, beverage packaging plants will cease production in 2018. In order to serve growing customer demand for specialty cans in the southwestern U.S., the company is constructing a beverage packaging facility in Goodyear, Arizona, which is expected to begin production in the second quarter of 2018. Our beverage can manufacturing facility in Reidsville, North Carolina, ceased production at the end of June 2017 and our beverage end manufacturing facility in Bristol, Virginia, ceased production at the end of June 2016. During the first quarter of 2016, our beverage manufacturing facility in Monterrey, Mexico, began production.

Segment sales in 2017 were \$566 million higher compared to 2016. The increase in 2017 was primarily due to \$350 million of higher volumes, primarily attributed to the Rexam acquisition, and \$176 million from the pass through of higher metal prices. Sales in 2017 included twelve months of sales volumes from the acquired Rexam business compared to 2016 which included six months of sales volumes from the acquired Rexam business.

Comparable operating earnings in 2017 were \$64 million higher compared to 2016 primarily due to higher sales volume, largely attributed to the Rexam acquisition, favorable product mix, cost savings from the closure of the Reidsville plant and other synergy-related activities, partially offset by higher freight costs and increased depreciation. Earnings in 2017 included twelve months of sales volumes from the acquired Rexam business compared to 2016 which included six months of sales volumes from the acquired Rexam business.

Segment sales in 2016 were \$410 million higher compared to 2015. The increase in 2016 was primarily due to the increase in sales volumes of \$526 million from the acquired Rexam business partially offset by lower metal input prices of \$176 million.

Comparable operating earnings in 2016 were \$67 million higher compared to 2015 primarily due to the earnings from the acquired Rexam business. Improved product mix from the legacy Ball business also contributed to the favorable year-over-year operating earnings improvement.

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Beverage Packaging, South America

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Net sales	\$ 1,692	\$ 1,014	\$ 591
Comparable operating earnings	333	185	80
Business consolidation and other activities (a)	(5)	(15)	(3)
Amortization of acquired Rexam intangibles	(56)	(17)	—
Catch-up depreciation and amortization for 2016 from finalization of Rexam valuation (b)	(14)	—	—
Cost of sales associated with Rexam inventory step-up	—	(20)	—
Total segment earnings	\$ 258	\$ 133	\$ 77
Comparable operating earnings as a % of segment net sales	20 %	18 %	14 %

(a) Further details of these items are included in Note 5 to the consolidated financial statements within Item 8 of this annual report.

(b) Catch-up depreciation and amortization of \$14 million related to the last six months of 2016 was recorded during 2017, as a result of the finalization of fixed asset and intangible asset valuations and useful lives for the Rexam acquisition during the second quarter of 2017.

The beverage packaging, South America, segment consists of operations located in Brazil, Argentina and Chile that manufacture aluminum containers used in beverage packaging in most countries in South America. To support contracted volumes for aluminum beverage packaging across Paraguay, Argentina and Bolivia, the company plans to construct a one-line beverage can and end manufacturing plant in Paraguay, and to add capacity to our Buenos Aires, Argentina, facility. The Paraguay plant is expected to begin production in the fourth quarter of 2019.

Segment sales and comparable operating earnings in 2017 included twelve months of sales volumes from the acquired Rexam business compared to 2016 which included six months of sales volumes from the acquired Rexam business and six months of sales volumes from the company's legacy business, the significant portion of which was sold with the Divestment Business.

Segment sales in 2017 were \$678 million higher compared to 2016. The increase in 2017 was primarily due to \$545 million in higher volumes, largely attributed to the Rexam acquisition, to organic growth and to additional revenue from the end sales agreement with the Divestment Business that will transition to the divested business in the first half of 2018. The higher sales also included \$158 million from the pass through of higher metal prices.

Comparable operating earnings in 2017 were \$148 million higher compared to 2016 primarily due to higher sales volumes, largely attributed to the Rexam acquisition, the end sales agreement with the Divestment Business, and favorable product mix.

Segment sales in 2016 were \$423 million higher compared to 2015 and comparable operating earnings in 2016 were \$105 million higher compared to 2015. The second half of 2016 included earnings from the Rexam business while the second half of 2015 included the company's smaller legacy Brazil business.

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Beverage Packaging, Europe

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Net sales	\$ 2,360	\$ 1,915	\$ 1,653
Comparable operating earnings	233	217	192
Business consolidation and other activities (a)	(89)	(24)	(10)
Amortization of acquired Rexam intangibles	(67)	(31)	—
Catch-up depreciation and amortization for 2016 from finalization of Rexam valuation (b)	(19)	—	—
Cost of sales associated with Rexam inventory step-up	—	(47)	—
Total segment earnings	\$ 58	\$ 115	\$ 182
Comparable operating earnings as a % of segment net sales	10 %	11 %	12 %

(a) Further details of these items are included in Note 5 to the consolidated financial statements within Item 8 of this annual report.

(b) Catch-up depreciation and amortization of \$19 million related to the last six months of 2016 was recorded during 2017, as a result of the finalization of fixed asset and intangible asset valuations and useful lives for the Rexam acquisition during the second quarter of 2017.

The beverage packaging Europe segment includes the manufacture and sale of metal beverage containers in facilities located throughout Europe, including Russia. To support growth for beverage cans in the Iberian Peninsula, the company is constructing a two-line, aluminum beverage can manufacturing facility near Madrid, Spain, with a majority of the facility's capacity secured under a long-term customer contract. The facility is expected to be fully operational in the second quarter of 2018 and will produce multiple can sizes. In the third quarter of 2017, our beverage packaging container and end production facilities in Recklinghausen, Germany, ceased production.

Segment sales and comparable operating earnings in 2017 included twelve months of sales volumes from the acquired Rexam business compared to 2016 which included six months of sales volumes from the acquired Rexam business and six months of sales volumes from the company's legacy European business, the significant portion of which was sold with the Divestment Business.

Segment sales in 2017 were \$445 million higher compared to 2016. The increase in 2017 was primarily due to \$388 million from increased sales volumes, largely attributed to the Rexam acquisition, and favorable currency exchange effects.

Comparable operating earnings in 2017 were \$16 million higher compared to 2016 primarily due to increased sales volumes largely attributed to the Rexam acquisition, cost savings from the closure of the Recklinghausen, Germany, plant and other synergy-related and production efficiency activities, partially offset by increased incremental depreciation related to the finalization of the fixed asset valuations and useful lives for the Rexam acquisition.

Segment sales in 2016 were \$262 million higher compared to 2015 and comparable operating earnings in 2016 were \$25 million higher compared to 2015, both attributed to the Rexam acquisition.

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Food and Aerosol Packaging

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Net sales	\$ 1,138	\$ 1,171	\$ 1,297
Comparable operating earnings	102	109	108
Business consolidation and other activities (a)	6	(26)	—
Total segment earnings	\$ 108	\$ 83	\$ 108
Comparable operating earnings as a % of segment net sales	9 %	9 %	8 %

(a) Further details of these items are included in Note 5 to the consolidated financial statements within Item 8 of this annual report.

The food and aerosol packaging segment consists of operations located in the U.S., Europe, Canada, Mexico, Argentina and India that manufacture and sell steel food and aerosol containers, extruded aluminum aerosol containers and slugs. In March 2017, we sold our paint and general line can facility in Hubbard, Ohio, and in October 2016, we sold our specialty tin manufacturing facility in Baltimore, Maryland. During the first quarter of 2016, we announced the closure of our food and aerosol packaging flat sheet production and end-making facility in Weirton, West Virginia, which ceased production in the first quarter of 2017.

Segment sales in 2017 were \$33 million lower compared to 2016. The decrease in 2017 was primarily due to lower food can sales volumes and the sale of the company's Baltimore, Maryland, and Hubbard, Ohio, plants.

Comparable operating earnings in 2017 were \$7 million lower compared to 2016 primarily due to further food can volume and price/cost compression, one-time startup costs for our new flat sheet operations in Canton, Ohio, during 2017, and the sale of the company's Baltimore and Hubbard plants, which were partially offset by favorable aerosol product mix and various cost-out initiatives.

Segment sales in 2016 were \$126 million lower compared to 2015 as a result of \$57 million in lower prices resulting from lower metal costs passed through to customers and \$69 million in volume primarily driven by lower food can sales volumes. Comparable operating earnings in 2016 were relatively unchanged compared to 2015 due to improved extruded aluminum sales which offset the decline in food can sales volumes.

Aerospace

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Net sales	\$ 991	\$ 818	\$ 810
Comparable operating earnings	98	88	82
Business consolidation and other activities (a)	—	—	1
Total segment earnings	\$ 98	\$ 88	\$ 83
Comparable operating earnings as a % of segment net sales	10 %	11 %	10 %

(a) Further details of these items are included in Note 5 to the consolidated financial statements within Item 8 of this annual report.

The aerospace segment consists of the manufacture and sale of aerospace and other related products and services provided for the defense, civil space and commercial space industries.

Segment sales in 2017 were \$173 million higher compared to 2016, and comparable operating earnings were \$10 million higher. The increase in sales and operating earnings for 2017 was primarily the result of increases from significant U.S. national defense contracts.

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Segment sales in 2016 were relatively unchanged compared to 2015. Comparable operating earnings in 2016 increased \$6 million compared to 2015 due to individually immaterial items.

Sales to the U.S. government, either directly as a prime contractor or indirectly as a subcontractor, represented 98 percent of segment sales in 2017 compared to 97 percent of segment sales in 2016 and 96 percent in 2015. The aerospace contract mix in 2017 consisted of 63 percent cost-type contracts, which are billed at our costs plus an agreed upon and/or earned profit component, and 32 percent fixed-price contracts. The remaining sales were for time and materials contracts.

Contracted backlog for the aerospace segment at December 31, 2017 and 2016, was \$1.75 billion and \$1.4 billion, respectively. The year-over-year increase reflects several major contract awards during 2017. The segment has numerous outstanding bids for future contract awards. The backlog at December 31, 2017, consisted of 78 percent cost-type contracts. Comparisons of backlog are not necessarily indicative of the trend of future operations due to the nature of varying delivery and milestone schedules on contracts, funding of programs and the uncertainty of timing of future contract awards.

Additional Segment Information

For additional information regarding our segments, see the business segment information in Note 3 accompanying the consolidated financial statements within Item 8 of this annual report. The charges recorded for business consolidation and other activities were based on estimates by Ball management and were developed from information available at the time. If actual outcomes vary from the estimates, the differences will be reflected in current period earnings in the consolidated statement of earnings and identified as business consolidation gains and losses. Additional details about our business consolidation and other activities are provided in Note 5 accompanying the consolidated financial statements within Item 8 of this annual report.

Management Performance Measures

Management internally uses various measures to evaluate company performance such as comparable operating earnings (earnings before interest, taxes and business consolidation and other non-comparable costs); comparable net earnings (earnings before business consolidation costs and other non-comparable costs after tax); return on average invested capital (net operating earnings after tax over the relevant performance period divided by average invested capital over the same period); economic value added (EVA®) dollars (net operating earnings after tax less a capital charge on average invested capital employed); earnings before interest and taxes (EBIT); earnings before interest, taxes, depreciation and amortization (EBITDA); and diluted earnings per share. Management also uses free cash flow (generally defined by the company as cash flow from operating activities less capital expenditures) as a measure to evaluate the company's liquidity. We believe this information is also useful to investors as it provides insight into the earnings and cash flow criteria management uses to make strategic decisions. These financial measures may be adjusted at times for items that affect comparability between periods such as business consolidation costs and gains or losses on acquisitions and dispositions.

Nonfinancial measures in the packaging businesses include production efficiency and spoilage rates; quality control figures; environmental, health and safety statistics; production and sales volumes; asset utilization rates; and measures of sustainability. Additional measures used to evaluate financial performance in the aerospace segment include contract revenue realization, award and incentive fees realized, proposal win rates and backlog (including awarded, contracted and funded backlog).

The following financial measurements are on a non-U.S. GAAP basis and should be considered in connection with the consolidated financial statements within Item 8 of this annual report. Non-U.S. GAAP measures should not be considered in isolation and should not be considered superior to, or a substitute for, financial measures calculated in accordance with U.S. GAAP. A presentation of earnings in accordance with U.S. GAAP is available in Item 8 of this annual report.

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Based on the above definitions, our calculation of comparable operating earnings is summarized below:

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Net earnings attributable to Ball Corporation	\$ 374	\$ 263	\$ 281
Add: Net earnings attributable to noncontrolling interests	6	3	22
Net earnings	380	266	303
Less: Equity in results of affiliates, net of tax	(31)	(15)	(4)
Add: Tax provision (benefit)	165	(126)	47
Earnings before taxes, as reported	514	125	346
Add: Total interest expense	288	338	260
Earnings before interest and taxes	802	463	606
Add: Business consolidation and other activities	221	337	195
Add: Amortization of acquired Rexam intangibles	162	65	—
Add: Catch-up depreciation and amortization for 2016 from finalization of Rexam valuation (a)	35	—	—
Add: Cost of sales associated with Rexam inventory step-up	—	84	—
Add: Egyptian pound devaluation	—	27	—
Comparable operating earnings	\$ 1,220	\$ 976	\$ 801

Our calculation of comparable net earnings is summarized below:

(\$ in millions, except per share amounts)	Years Ended December 31,		
	2017	2016	2015
Net earnings attributable to Ball Corporation	\$ 374	\$ 263	\$ 281
Add: Business consolidation and other activities	221	337	195
Add: Amortization of acquired Rexam intangibles	162	65	—
Add: Catch-up depreciation and amortization for 2016 from finalization of Rexam valuation (a)	35	—	—
Add: Cost of sales associated with Rexam inventory step-up	—	84	—
Add: Egyptian pound devaluation	—	27	—
Add: Debt refinancing and other costs	3	109	117
Less: Tax effect on above items	(150)	(322)	(103)
Add: Impact of U.S. tax reform	83	—	—
Comparable net earnings	\$ 728	\$ 563	\$ 490
Per diluted share, as reported (b)	\$ 1.05	\$ 0.81	\$ 1.00
Per diluted share, comparable basis (b)	\$ 2.04	\$ 1.74	\$ 1.74
Weighted average diluted shares outstanding (000s)	356,985	322,884	281,968

(a) Catch-up depreciation and amortization of \$35 million related to the last six months of 2016 was recorded during 2017 as a result of the finalization of fixed asset and intangible asset valuations and useful lives for the Rexam acquisition.

(b) Amounts in 2016 and 2015 have been retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017.

CRITICAL AND SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS

For information regarding the company's critical and significant accounting policies, as well as recent accounting pronouncements, see Notes 1 and 2 to the consolidated financial statements within Item 8 of this annual report.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**Cash Flows and Capital Expenditures**

Our primary sources of liquidity are cash provided by operating activities and external committed borrowings. We believe that cash flows from operations and cash provided by short-term, long-term and committed revolver borrowings, when necessary, will be sufficient to meet our ongoing operating requirements, scheduled principal and interest payments on debt, dividend payments and anticipated capital expenditures. The following table summarizes our cash flows:

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Cash flows provided by (used in) operating activities	\$ 1,478	\$ 194	\$ 1,007
Cash flows provided by (used in) investing activities	(545)	672	(2,721)
Cash flows provided by (used in) financing activities	(1,073)	(387)	1,737

Cash flows from operations in 2017 were higher compared to 2016 primarily due to improved earnings and working capital. Working capital changes in 2017 included a decrease in inventory days on hand from 68 to 61 days, a decrease in days receivables outstanding from 46 to 45 days and an increase in days payable outstanding from 97 to 110 days. The continuing increase in days payable outstanding is a result of longer negotiated contractual terms with suppliers.

Cash flows from operations in 2016 were lower compared to 2015 due to increased operating cash outflows in 2016 due to payments of professional fees and employee costs related to the acquisition of Rexam and sale of the Divestment Business of approximately \$325 million; \$297 million of additional pension funding, including \$171 million related to the acquired Rexam U.K. defined benefit plan; approximately \$150 million less cash inflows from working capital due to the sale of the company's legacy European business at its peak working capital requirements; \$90 million of payments to settle derivatives associated with the acquired Rexam business; and \$50 million of additional interest payments associated with the financing of the Rexam acquisition. Inventory days on hand increased from 49 days to 68 days, days sales outstanding increased from 35 days to 46 days and days payable outstanding increased from 82 days to 97 days. The increase in days outstanding is primarily attributable to the working capital positions of the acquired Rexam operations as compared to the legacy Ball operations included in the Divestment Business.

We have entered into several regional committed and uncommitted accounts receivable factoring programs with various financial institutions for certain of our accounts receivable. Programs accounted for as true sales of the receivables, without recourse to Ball, had combined limits of approximately \$1.0 billion at December 31, 2017. A total of \$439 million and \$374 million were available for sale under these programs at December 31, 2017 and 2016, respectively.

Annual cash dividends paid on common stock were 36.5 cents per share in 2017, and 26 cents per share in each of 2016 and 2015, as retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017. Total dividends paid to common shareholders were \$129 million in 2017, \$83 million in 2016 and \$72 million in 2015. We paid dividends to noncontrolling interests of \$5 million in 2017 and \$18 million in 2015. No dividends were paid to noncontrolling interests in 2016.

As of December 31, 2017, approximately \$440 million of our cash was held outside of the U.S. In the event that we would need to utilize any of the cash held outside of the U.S. for purposes within the U.S., there are no material legal or other economic restrictions regarding the repatriation of cash from any of the countries outside the U.S. where we have cash, other than market liquidity constraints that limit the ability to convert Egyptian pounds held by the company in Egypt with a U.S. dollar equivalent value of \$51 million into other currencies. The company believes its U.S. operating cash flows; the \$1.2 billion available under the company's long-term, revolving credit facilities; the \$110 million available under other U.S.-based uncommitted short-term credit facilities; and availability under U.S.-based committed and uncommitted accounts receivable factoring programs will be sufficient to meet the cash requirements of the U.S. portion of the company's ongoing operations, scheduled principal and interest payments on U.S. debt, dividend payments, capital expenditures and other U.S. cash requirements. If foreign funds would be needed for our U.S. cash requirements and we are unable to provide the funds through intercompany financing arrangements, we would be required to repatriate funds from foreign locations where the company has previously asserted indefinite reinvestment of funds outside the U.S. With the introduction of a modified territorial tax system in the recently enacted U.S. Tax Cuts

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and Jobs Act, the company is currently reviewing its previously stated intent to permanently reinvest these foreign amounts outside the U.S. As the company does not believe a reasonable estimate of the impact of the U.S. Tax Cuts and Jobs Act on its indefinite reinvestment assertion can be determined at present, no provisional estimate is recorded in the financial statements for the period ended December 31, 2017. When either a reasonable estimate or the final determination becomes available, the impact will be recorded in that same reporting period. The final determination will be made and the impact will be recorded no later than December of 2018.

Based on its previous indefinite reinvestment assertion, the company has not provided deferred taxes on earnings in certain non-U.S. subsidiaries because such earnings were intended to be indefinitely reinvested in its international operations. Retained earnings in non-U.S. subsidiaries were \$2.8 billion as of December 31, 2017. While it is not practical to estimate the additional taxes that may become payable if these earnings were remitted to the U.S., as a result of the company's inclusion of a provisional transition tax estimate, U.S. tax has been accrued with respect to this amount.

Share Repurchases

The company's share repurchases, net of issuances, totaled \$76 million in 2017, \$59 million in 2016 and \$100 million in 2015. The repurchases were completed using cash on hand and available borrowings and included accelerated share repurchase agreements and other purchases under our ongoing share repurchase program. Additional details about our share repurchase activities are provided in Note 16 to the consolidated financial statements within Item 8 of this annual report.

Debt Facilities and Refinancing

Given our cash flow projections and unused credit facilities that are available until 2021, our liquidity is strong and is expected to meet our ongoing cash and debt service requirements. Total interest-bearing debt was \$7 billion at December 31, 2017, compared to \$7.5 billion at December 31, 2016.

In anticipation of the June 2016 acquisition of Rexam, the company entered into a £3.3 billion Bridge Facility in February 2015. Additionally, in December 2015, Ball issued \$1 billion of 4.375 percent senior notes, €400 million of 3.5 percent senior notes and €700 million of 4.375 percent senior notes. The company elected to restrict these proceeds in an escrow account, which enabled the reduction of its Bridge Facility to £1.9 billion.

In March 2016, Ball refinanced in full its then existing £1.9 billion Bridge Facility with a \$1.4 billion Term A loan facility available to Ball and a €1.1 billion Term A loan facility available to a subsidiary of Ball, and refinanced in full its then existing revolving credit facility with a long-term, multi-currency revolver available until March 2021. The euro Term A loan was repaid during 2017.

At December 31, 2017, taking into account outstanding letters of credit, approximately \$1.2 billion was available under the company's long-term, multi-currency committed revolving credit facilities, which are available until March 2021. In addition to these facilities, the company had \$751 million of short-term uncommitted credit facilities available at December 31, 2017, of which \$340 million was outstanding and due on demand. The majority of these amounts are available without violating our existing debt covenants. At December 31, 2016, the company had \$143 million outstanding under short-term uncommitted credit facilities.

While ongoing financial and economic conditions in certain areas may raise concerns about credit risk with counterparties to derivative transactions, the company mitigates its exposure by allocating the risk among various counterparties and limiting exposure to any one party. We also monitor the credit ratings of our suppliers, customers, lenders and counterparties on a regular basis.

We were in compliance with all loan agreements at December 31, 2017, and for all prior years presented, and have met all debt payment obligations. The U.S. note agreements and bank credit agreement contain certain restrictions relating to dividends, investments, financial ratios, guarantees and the incurrence of additional indebtedness. The most restrictive of the company's debt covenants requires the company to maintain a leverage ratio (as defined) of no greater than 4 times at December 31, 2017. The company was in compliance with all loan agreements and debt covenants at December 31, 2017 and 2016, and we have met all debt payment obligations. As of December 31, 2017, the amounts disclosed as available under the company's long-term multi-currency committed revolving facilities, the short-term uncommitted

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credit facilities and the unsecured, committed bridge loan agreement, are available without violating our existing debt covenants. Additional details about our debt are available in Note 13 to the consolidated financial statements within Item 8 of this annual report.

Other Liquidity Measures

Free Cash Flow

Management internally uses a free cash flow measure to: (1) evaluate the company's liquidity, (2) evaluate strategic investments, (3) plan stock buyback and dividend levels and (4) evaluate the company's ability to incur and service debt. Free cash flow is not a defined term under U.S. GAAP, and it should not be inferred that the entire free cash flow amount is available for discretionary expenditures. The company defines free cash flow as cash flow from operating activities less capital expenditures. Free cash flow is typically derived directly from the company's consolidated statement of cash flows; however, it may be adjusted for items that affect comparability between periods.

Based on the above definition, our consolidated free cash flow is summarized as follows:

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Total cash provided by operating activities	\$ 1,478	\$ 194	\$ 1,007
Capital expenditures	(556)	(606)	(528)
Free cash flow	\$ 922	\$ (412)	\$ 479

Based on information currently available, we estimate cash flows from operating activities for 2018 to be in the range of \$1.5 billion, capital expenditures to be approximately \$600 million and free cash flow to be in the range of \$900 million. In 2018, we intend to utilize our operating cash flow to service debt and to fund our growth capital projects, dividend payments, stock buybacks and, to the extent available, acquisitions that meet our various criteria. Of the total 2018 estimated capital expenditures, approximately \$465 million was contractually committed as of December 31, 2017.

Commitments

Cash payments required for long-term debt maturities, rental payments under noncancellable operating leases, purchase obligations and other commitments in effect at December 31, 2017, are summarized in the following table:

(\$ in millions)	Payments Due By Period (a)				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Long-term debt, including capital leases (b)	\$ 6,691	\$ 113	\$ 1,862	\$ 1,875	\$ 2,841
Interest payments on long-term debt (c)	1,273	267	500	304	202
Purchase obligations (d)	11,974	3,745	5,619	2,608	2
Operating leases	208	45	59	37	67
Total payments on contractual obligations	\$ 20,146	\$ 4,170	\$ 8,040	\$ 4,824	\$ 3,112

- (a) Amounts reported in local currencies have been translated at year end 2017 exchange rates.
- (b) Amounts represent future cash payments due and exclude future amortization of debt issuance costs of \$60 million at December 31, 2017.
- (c) For variable rate facilities, amounts are based on interest rates in effect at year end and do not contemplate the effects of any hedging instruments utilized by the company.
- (d) The company's purchase obligations include capital expenditures and contracted amounts for aluminum, steel and other direct materials. Also included are commitments for purchases of natural gas and electricity, expenses related to aerospace and technologies contracts and other less significant items. In cases where variable prices and/or usage are involved, management's best estimates have been used. Depending on the circumstances, early termination of the contracts may or may not result in penalties and, therefore, actual payments could vary significantly.

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The table above does not include \$84 million of uncertain tax positions, the timing of which is unknown at this time.

Contributions to the company's defined benefit pension plans, not including the unfunded German, Swedish and certain U.S. plans, are expected to be in the range of \$46 million in 2018. This estimate may change based on changes in the Pension Protection Act, actual plan asset performance and available company cash flow, among other factors. Benefit payments related to these plans are expected to be approximately \$397 million to \$416 million for each of the years ending December 31, 2018 through 2022 and a total of \$2.2 billion for the years 2023 through 2027. Payments to participants in the unfunded German, Swedish and certain U.S. plans are expected to be approximately \$17 million to \$21 million in each of the years 2018 through 2022 and a total of \$80 million for the years 2023 through 2027.

Based on changes in return on asset and discount rate assumptions, as well as revisions based on plan experience studies, total pension expense in 2018, excluding settlement and curtailment losses, is anticipated to be approximately \$20 million lower than in 2017. A reduction of the expected return on pension assets assumption by one quarter of a percentage point would result in an estimated \$15 million increase in the 2018 pension expense, while a quarter of a percentage point reduction in the discount rate applied to the pension liability would result in an estimated \$3 million reduction of pension expense in 2018. Additional details about our defined benefit pension plans are available in Note 15 to the consolidated financial statements within Item 8 of this annual report.

Contingencies

The company is routinely subject to litigation incident to operating its businesses, and has been designated by various federal and state environmental agencies as a potentially responsible party, along with numerous other companies, for the clean-up of several hazardous waste sites, including in respect of sites related to alleged activities of certain Rexam subsidiaries. The company believes the matters identified will not have a material adverse effect upon its liquidity, results of operations or financial condition. Details of the company's legal proceedings are included in Note 21 to the consolidated financial statements within Item 8 of this annual report.

FORWARD-LOOKING STATEMENTS

This report contains "forward-looking" statements concerning future events and financial performance. Words such as "expects," "anticipates," "estimates," "believes," "targets," "likely" and similar expressions typically identify forward-looking statements, which are generally any statements other than statements of historical fact. Such statements are based on current expectations or views of the future and are subject to risks and uncertainties, which could cause actual results or events to differ materially from those expressed or implied. Readers of this report should therefore not place undue reliance upon any forward-looking statements and any of such statements should be read in conjunction with, and, qualified in their entirety by, the cautionary statements referenced below. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Key factors, risks and uncertainties that could cause actual outcomes and results to be different are summarized in filings with the Securities and Exchange Commission, including Exhibit 99 in our Form 10-K, which are available on our website and at www.sec.gov. Some factors that could cause the company's actual results or outcomes to differ materially from those discussed include, but are not limited to the following: a) in our packaging segments: product demand fluctuations; availability/cost of raw materials; competitive packaging, pricing and substitution; changes in climate and weather; competitive activity; failure to achieve synergies, productivity improvements or cost reductions; mandatory deposit or other restrictive packaging laws; customer and supplier consolidation, power and supply chain influence; changes in major customer or supplier contracts or a loss of a major customer or supplier; political instability and sanctions; currency controls; and changes in foreign exchange or tax rates; b) in our aerospace segment: funding, authorization, availability and returns of government and commercial contracts; and delays, extensions and technical uncertainties affecting segment contracts; c) in the company as a whole, those listed plus: changes in senior management; regulatory action or issues including tax, environmental, health and workplace safety, including U.S. FDA and other actions or public concerns affecting products filled in our containers, or chemicals or substances used in raw materials or in the manufacturing process; technological developments and innovations; litigation; strikes; labor cost changes; rates of return on assets of the company's defined benefit retirement plans; pension changes; uncertainties surrounding geopolitical events and governmental policies both in the U.S. and in other countries, including the U.S. government elections, budget, sequestration and debt limit; reduced cash flow; ability to achieve cost-out initiatives and synergies; interest rates affecting our debt; and successful or unsuccessful acquisitions and divestitures, including with respect to the Rexam acquisition and its integration, or the associated divestiture; the effect of the acquisition or the divestiture on our business relationships, operating results and business generally.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Financial Instruments and Risk Management

The company employs established risk management policies and procedures which seek to reduce the company's commercial risk exposure to fluctuations in commodity prices, interest rates, currency exchange rates and prices of the company's common stock with regard to common share repurchases and the company's deferred compensation stock plan. However, there can be no assurance that these policies and procedures will be successful. Although the instruments utilized involve varying degrees of credit, market and interest risk, the counterparties to the agreements are expected to perform fully under the terms of the agreements. The company monitors counterparty credit risk, including lenders, on a regular basis, but Ball cannot be certain that all risks will be discerned or that its risk management policies and procedures will always be effective. Additionally, in the event of default under the company's master derivative agreements, the non-defaulting party has the option to set off any amounts owed with regard to open derivative positions.

We have estimated our market risk exposure using sensitivity analysis. Market risk exposure has been defined as the changes in fair value of derivative instruments, financial instruments and commodity positions. To test the sensitivity of our market risk exposure, we have estimated the changes in fair value of market risk sensitive instruments assuming a hypothetical 10 percent adverse change in market prices or rates. The results of the sensitivity analyses are summarized below.

Commodity Price Risk

Aluminum

We manage commodity price risk in connection with market price fluctuations of aluminum ingot through two different methods. First, we enter into container sales contracts that include aluminum ingot-based pricing terms that generally reflect the same price fluctuations included in commercial purchase contracts for aluminum sheet. The terms include fixed, floating or pass-through aluminum ingot component pricing. Second, we use derivative instruments such as option and forward contracts as economic and cash flow hedges of commodity price risk where there are material differences between sales and purchase contracted pricing and volume.

Steel

Most sales contracts involving our steel products either include provisions permitting us to pass through some or all steel cost changes incurred, or they incorporate annually negotiated steel prices. We anticipate at this time that we will be able to pass through the majority of any steel price changes that may occur in 2018.

Considering the effects of derivative instruments, the company's ability to pass through certain raw material costs through contractual provisions, the market's ability to accept price increases and the company's commodity price exposures under its contract terms, a hypothetical 10 percent adverse change in the company's steel and aluminum prices would result in an estimated \$8 million after tax reduction in net earnings over a one-year period. Additionally, the company has currency exposures on raw materials and the effect of a 10 percent adverse change is included in the total currency exposure discussed below. Actual results may vary based on actual changes in market prices and rates.

Other

The company is also exposed to fluctuations in prices for natural gas and electricity, as well as the cost of diesel fuel as a component of freight cost. A hypothetical 10 percent increase in our natural gas and electricity prices would result in an estimated \$14 million after tax reduction of net earnings over a one-year period. A hypothetical 10 percent increase in diesel fuel prices would result in a less than \$1 million after tax reduction of net earnings over the same period. Actual results may vary based on actual changes in market prices and rates.

Interest Rate Risk

Our objective in managing exposure to interest rate changes is to minimize the impact of interest rate changes on earnings and cash flows and to minimize our overall borrowing costs. To achieve these objectives, we may use a variety of interest rate swaps, collars and options to manage our mix of floating and fixed-rate debt. Interest rate instruments held by the company at December 31, 2017, included pay-fixed interest rate swaps which effectively convert variable rate obligations to fixed-rate instruments.

Based on our interest rate exposure at December 31, 2017, assumed floating rate debt levels throughout the next 12 months and the effects of our existing derivative instruments, a 100-basis point increase in interest rates would result in an estimated \$7 million after tax reduction in net earnings over a one-year period. Actual results may vary based on actual changes in market prices and rates and the timing of these changes.

Currency Exchange Rate Risk

Our objective in managing exposure to currency fluctuations is to limit the exposure of cash flows and earnings from changes associated with currency exchange rate changes through the use of various derivative contracts. In addition, at times Ball manages earnings translation volatility through the use of currency option strategies, and the change in the fair value of those options is recorded in the company's net earnings. Our currency translation risk results from the currencies in which we transact business. The company faces currency exposures in our global operations as a result of various factors including intercompany currency denominated loans, selling our products in various currencies, purchasing raw materials and equipment in various currencies and tax exposures not denominated in the functional currency. Sales contracts are negotiated with customers to reflect cost changes and, where there is not an exchange pass-through arrangement, the company uses forward and option contracts to manage significant currency exposures.

Considering the company's derivative financial instruments outstanding at December 31, 2017, and the various currency exposures, a hypothetical 10 percent reduction (U.S. dollar strengthening, mainly against the Russian ruble) in currency exchange rates compared to the U.S. dollar would result in an estimated \$15 million after tax reduction in net earnings over a one-year period. This hypothetical adverse change in currency exchange rates would also reduce our forecasted average debt balance by \$132 million and increase our forecasted cross currency swap value by \$129 million. Actual changes in market prices or rates may differ from hypothetical changes.

Common Stock Price Risk

The company's deferred compensation stock program is subject to variable plan accounting and, accordingly, is marked to fair value using the company's closing stock price at the end of the related reporting period. The company entered into total return swaps to reduce the company's earnings exposure to these fair value fluctuations that will be outstanding until June 2018 and such swaps have a combined notional value of 2.7 million shares. Based on current levels in the program, each \$1 change in the company's stock price has an insignificant impact on pretax earnings, net of the impact of related derivatives.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Ball Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Ball Corporation and its subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of earnings, comprehensive earnings (loss), shareholders' equity and cash flows for each of the three years in the period ended December 31, 2017, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are

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recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Denver, Colorado
February 28, 2018

We have served as the Company's auditor since at least 1962. We have not determined the specific year we began serving as auditor of the Company.

Consolidated Statements of Earnings
Ball Corporation

(\$ in millions, except per share amounts)	Years Ended December 31,		
	2017	2016	2015
Net sales	\$ 10,983	\$ 9,061	\$ 7,997
Costs and expenses			
Cost of sales (excluding depreciation and amortization)	(8,717)	(7,296)	(6,460)
Depreciation and amortization	(729)	(453)	(286)
Selling, general and administrative	(514)	(512)	(450)
Business consolidation and other activities	(221)	(337)	(195)
	<u>(10,181)</u>	<u>(8,598)</u>	<u>(7,391)</u>
Earnings before interest and taxes	802	463	606
Interest expense	(285)	(229)	(143)
Debt refinancing and other costs	(3)	(109)	(117)
Total interest expense	<u>(288)</u>	<u>(338)</u>	<u>(260)</u>
Earnings before taxes	514	125	346
Tax (provision) benefit	(165)	126	(47)
Equity in results of affiliates, net of tax	31	15	4
Net earnings	380	266	303
Net earnings attributable to noncontrolling interests	(6)	(3)	(22)
Net earnings attributable to Ball Corporation	<u>\$ 374</u>	<u>\$ 263</u>	<u>\$ 281</u>
Earnings per share: (a)			
Basic	\$ 1.07	\$ 0.83	\$ 1.02
Diluted	\$ 1.05	\$ 0.81	\$ 1.00
Weighted average shares outstanding: (000s) (a)			
Basic	350,269	316,542	274,600
Diluted	356,985	322,884	281,968
Cash dividends declared and paid, per share (a)	\$ 0.365	\$ 0.26	\$ 0.26

(a) Amounts in 2016 and 2015 have been retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017.

The accompanying notes are an integral part of the consolidated financial statements.

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Consolidated Statements of Comprehensive Earnings (Loss)

Ball Corporation

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Net earnings	\$ 380	\$ 266	\$ 303
Other comprehensive earnings (loss):			
Foreign currency translation adjustment	38	(160)	(166)
Pension and other postretirement benefits	296	(178)	78
Effective financial derivatives	17	9	(9)
Total other comprehensive earnings (loss)	351	(329)	(97)
Income tax (provision) benefit	(65)	27	(21)
Total other comprehensive earnings (loss), net of tax	286	(302)	(118)
Total comprehensive earnings	666	(36)	185
Comprehensive (earnings) loss attributable to noncontrolling interests	(7)	(2)	(22)
Comprehensive earnings (loss) attributable to Ball Corporation	\$ 659	\$ (38)	\$ 163

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Balance Sheets
Ball Corporation

(\$ in millions)	December 31,	
	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ 448	\$ 597
Receivables, net	1,634	1,491
Inventories, net	1,526	1,413
Other current assets	150	152
Total current assets	3,758	3,653
Noncurrent assets		
Property, plant and equipment, net	4,610	4,387
Goodwill	4,933	5,095
Intangible assets, net	2,462	1,934
Other assets	1,406	1,104
Total assets	\$ 17,169	\$ 16,173
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term debt and current portion of long-term debt	\$ 453	\$ 222
Accounts payable	2,762	2,033
Accrued employee costs	352	315
Other current liabilities	540	399
Total current liabilities	4,107	2,969
Noncurrent liabilities		
Long-term debt	6,518	7,310
Employee benefit obligations	1,463	1,497
Deferred taxes	695	439
Other liabilities	340	417
Total liabilities	13,123	12,632
Shareholders' equity		
Common stock (670,576,215 shares issued - 2017; 668,504,350 shares issued - 2016) (a)	1,084	1,038
Retained earnings	4,987	4,739
Accumulated other comprehensive earnings (loss)	(656)	(941)
Treasury stock, at cost (320,694,598 shares - 2017; 318,774,098 shares - 2016) (a)	(1,474)	(1,401)
Total Ball Corporation shareholders' equity	3,941	3,435
Noncontrolling interests	105	106
Total shareholders' equity	4,046	3,541
Total liabilities and shareholders' equity	\$ 17,169	\$ 16,173

(a) Amounts in 2016 have been retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cash Flows
Ball Corporation

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Cash Flows from Operating Activities			
Net earnings	\$ 380	\$ 266	\$ 303
Adjustments to reconcile net earnings to cash provided by (used in) continuing operating activities:			
Depreciation and amortization	729	453	286
Business consolidation and other activities	221	337	195
Deferred tax provision (benefit)	82	(293)	(62)
Other, net	(268)	(60)	145
Working capital changes, excluding effects of acquisitions (a):			
Receivables	(189)	(53)	35
Inventories	(66)	30	97
Other current assets	12	65	10
Accounts payable	639	(55)	125
Accrued employee costs	5	(14)	(36)
Other current liabilities	(18)	(481)	(107)
Other, net	(49)	(1)	16
Total cash provided by (used in) operating activities	<u>1,478</u>	<u>194</u>	<u>1,007</u>
Cash Flows from Investing Activities			
Capital expenditures	(556)	(606)	(528)
Business acquisitions, net of cash acquired	—	(3,379)	(29)
Proceeds from dispositions, net of cash sold	(2)	2,938	1
Restricted cash, net	—	1,966	(2,183)
Settlement of Rexam acquisition related derivatives	—	(252)	(16)
Other, net	13	5	34
Cash provided by (used in) investing activities	<u>(545)</u>	<u>672</u>	<u>(2,721)</u>
Cash Flows from Financing Activities			
Long-term borrowings	765	4,370	4,524
Repayments of long-term borrowings	(1,810)	(4,624)	(2,430)
Net change in short-term borrowings	184	23	(93)
Proceeds from issuances of common stock	27	48	36
Acquisitions of treasury stock	(103)	(107)	(136)
Common dividends	(129)	(83)	(72)
Other, net	(7)	(14)	(92)
Cash provided by (used in) financing activities	<u>(1,073)</u>	<u>(387)</u>	<u>1,737</u>
Effect of exchange rate changes on cash	(9)	(106)	10
Change in cash and cash equivalents	(149)	373	33
Cash and cash equivalents – beginning of year	597	224	191
Cash and cash equivalents – end of year	<u>\$ 448</u>	<u>\$ 597</u>	<u>\$ 224</u>

(a) Includes payments of costs associated with the acquisition of Rexam and the sale of the Divestment Business.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Shareholders' Equity
Ball Corporation

(\$ in millions; share amounts in thousands)	Ball Corporation and Subsidiaries							Total Shareholders' Equity
	Common Stock		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	
	Number of Shares (a)	Amount	Number of Shares (a)	Amount				
Balance at December 31, 2014	663,236	\$ 1,132	(389,304)	\$ (3,923)	\$ 4,347	\$ (522)	\$ 206	\$ 1,240
Net earnings	—	—	—	—	281	—	22	303
Other comprehensive earnings, net of tax	—	—	—	—	—	(118)	—	(118)
Common dividends, net of tax benefits	—	—	—	—	(71)	—	—	(71)
Treasury stock purchases	—	—	(3,532)	(136)	—	—	—	(136)
Treasury shares reissued	—	—	658	23	—	—	—	23
Shares issued and stock compensation for stock options and other	—	—	—	—	—	—	—	—
stock plans, net of shares exchanged	2,062	29	—	—	—	—	—	29
Tax benefit on option exercises	—	21	—	—	—	—	—	21
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(18)	(18)
Acquisition of noncontrolling interests	—	(220)	11,460	403	—	—	(200)	(17)
Other activity	—	—	—	5	—	—	—	5
Balance at December 31, 2015	665,298	962	(380,718)	(3,628)	4,557	(640)	10	1,261
Net earnings	—	—	—	—	263	—	3	266
Other comprehensive earnings, net of tax	—	—	—	—	—	(301)	(1)	(302)
Common dividends, net of tax benefits	—	—	—	—	(81)	—	—	(81)
Treasury stock purchases	—	—	(3,198)	(107)	—	—	—	(107)
Treasury shares reissued	—	—	640	23	—	—	—	23
Shares issued and stock compensation for stock options and other	—	—	—	—	—	—	—	—
stock plans, net of shares exchanged	3,206	54	—	—	—	—	—	54
Tax benefit on option exercises	—	22	—	—	—	—	—	22
Acquisition of Rexam	—	—	64,502	2,302	—	—	94	2,396
Other activity	—	—	—	9	—	—	—	9
Balance at December 31, 2016	668,504	1,038	(318,774)	(1,401)	4,739	(941)	106	3,541
Net earnings	—	—	—	—	374	—	6	380
Other comprehensive earnings, net of tax	—	—	—	—	—	285	1	286
Common dividends, net of tax benefits	—	—	—	—	(126)	—	—	(126)
Treasury stock purchases	—	—	(2,552)	(103)	—	—	—	(103)
Treasury shares reissued	—	—	631	22	—	—	—	22
Shares issued and stock compensation for stock options and other	—	—	—	—	—	—	—	—
stock plans, net of shares exchanged	2,072	46	—	—	—	—	—	46
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(5)	(5)
Other activity	—	—	—	8	—	—	(3)	5
Balance at December 31, 2017	670,576	\$ 1,084	(320,695)	\$ (1,474)	\$ 4,987	\$ (656)	\$ 105	\$ 4,046

(a) Amounts in 2016, 2015 and 2014 have been retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017.

The accompanying notes are an integral part of the consolidated financial statements.

Ball Corporation
Notes to the Consolidated Financial Statements

1. Critical and Significant Accounting Policies

The preparation of Ball Corporation's (collectively, Ball, the company, we or our) consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires Ball's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. These estimates are based on historical experience and various assumptions believed to be reasonable under the circumstances. Ball's management evaluates these estimates on an ongoing basis and adjusts or revises the estimates as circumstances change. As future events and their impacts cannot be determined with precision, actual results may differ from these estimates. In the opinion of management, the financial statements reflect all adjustments necessary to fairly present the results of the periods presented.

Critical Accounting Policies

The company considers certain accounting policies to be critical, as their application requires management's judgment about the impacts of matters that are inherently uncertain. Detailed below is a discussion of the accounting policies the company considers critical to our consolidated financial statements.

Acquisitions

The company records acquisitions resulting in the consolidation of an enterprise using the purchase method of accounting. Under this method, the acquiring company records the assets acquired, including intangible assets that can be identified and named, and liabilities assumed based on their estimated fair values at the date of acquisition. The purchase price in excess of the fair value of the assets acquired and liabilities assumed is recorded as goodwill. If the assets acquired, net of liabilities assumed, are greater than the purchase price paid, then a bargain purchase has occurred and the company will recognize the gain immediately in earnings. Among other sources of relevant information, the company uses independent appraisals and actuarial or other valuations to assist in determining the estimated fair values of the assets and liabilities. Various assumptions are used in the determination of these estimated fair values including discount rates, market and volume growth rates, product selling prices, production costs and other prospective financial information. Transaction costs associated with acquisitions are expensed as incurred and included in the business consolidation and other activities line of the consolidated statement of earnings.

For acquisitions where the company already owns an equity investment in the acquired company, the company will recognize in earnings, upon the completion of the acquisition, a gain or loss related to the company's existing equity investment. This gain or loss is calculated based on the fair value of the equity investment as compared to the carrying value of the existing equity investment on the date of acquisition.

When the company purchases additional interests of consolidated subsidiaries that does not result in a change in control, the difference between the fair value and carrying value of the noncontrolling interests acquired is accounted for in the common stock line within shareholders' equity.

Exit and Other Closure Costs (Business Consolidation Costs)

The company estimates its liabilities for business closure activities by accumulating detailed estimates of costs and asset sale proceeds, if any, for each business consolidation initiative. This includes the estimated costs of employee severance, pension and related benefits; impairment of property and equipment and other assets, including estimates of net realizable value; accelerated depreciation; termination payments for contracts and leases; contractual obligations; and any other qualifying costs related to the exit plan. These estimated costs are grouped by specific projects within the overall exit plan and are then monitored on a monthly basis. Such charges represent management's best estimates, but require assumptions about the plans that may change over time. Changes in estimates for individual locations and other matters are evaluated periodically to determine if a change in estimate is required for the overall restructuring plan.

Ball Corporation
Notes to the Consolidated Financial Statements

Subsequent changes to the original estimates are included in current earnings and identified as business consolidation gains or losses.

Recoverability of Goodwill and Intangible Assets

On an annual basis and at interim periods when circumstances require, the company tests the recoverability of its goodwill and indefinite-lived intangible assets. The company utilizes the new impairment analysis, as updated in 2017, and it has elected not to use the qualitative assessment or “step zero” approach. Under the new impairment analysis, the company compares the carrying value of each identified reporting unit to its fair value. If the carrying value of the reporting unit is greater than its fair value, the company recognizes an impairment charge for the amount by which the carrying amount of goodwill exceeds its implied fair value. The company estimates fair value for each reporting unit using the market and income approaches. Under the market approach, the company uses available information regarding multiples used in recent transactions, if any, involving transfers of controlling interests as well as publicly available trading multiples based on the enterprise value of companies in either the packaging or aerospace and defense industries, as applicable. The appropriate multiple is applied to forecasted EBITDA (a non-GAAP item defined by the company as earnings before interest, taxes, depreciation and amortization) of each reporting unit to estimate fair value. Under the income approach, fair value is estimated as the present value of estimated future cash flows of each reporting unit. The projected cash flows incorporate various assumptions related to weighted average cost of capital (WACC) and growth rates specific to each reporting unit.

Amortizable intangible assets are tested for impairment, when deemed necessary, based on an income approach using undiscounted cash flows and, if impaired, are written down to fair value based on either discounted cash flows or appraised values.

Defined Benefit Pension Plans and Other Employee Benefits

The company has defined benefit plans that cover a significant portion of its employees. The company also has postretirement plans that provide certain medical benefits and life insurance for retirees and eligible dependents and, to a lesser extent, participates in multi-employer defined benefit plans for which Ball is not the sponsor. For the company-sponsored plans, the relevant accounting guidance requires that management make certain assumptions relating to the long-term rate of return on plan assets, discount rates used to determine the present value of future obligations and expenses, salary inflation rates, health care cost trend rates, mortality rates and other assumptions. The company believes that the accounting estimates related to our pension and postretirement plans are critical accounting estimates because they are highly susceptible to change from period to period based on the performance of plan assets, actuarial valuations, market conditions and contracted benefit changes. The selection of assumptions is based on historical trends and known economic and market conditions at the time of valuation, as well as independent studies of trends performed by the company’s actuaries. However, actual results may differ substantially from the estimates that were based on the critical assumptions.

The company recognizes the funded status of each defined benefit pension plan and other postretirement benefit plans in the consolidated balance sheet. Each overfunded plan is recognized as an asset, and each underfunded plan is recognized as a liability. Pension plan liabilities are revalued annually, or when an event occurs that requires remeasurement, based on updated assumptions and information about the individuals covered by the plan. For pension plans, accumulated actuarial gains and losses in excess of a 10 percent corridor and the prior service cost are amortized on a straight-line basis from the date recognized over the average remaining service period of active participants or over the average life expectancy for plans with significant inactive participants. For other postemployment benefits, the 10 percent corridor is not used. The majority of costs related to defined benefit and other postretirement plans are included in cost of sales; the remainder is included in selling, general and administrative expenses.

In addition to defined benefit and postretirement plans, the company maintains reserves for employee medical claims, up to our insurance stop-loss limit, and workers’ compensation claims. These are regularly evaluated and revised, as

Ball Corporation
Notes to the Consolidated Financial Statements

needed, based on a variety of information, including historical experience, actuarial estimates and current employee statistics.

Income Taxes

Deferred income taxes reflect the future tax consequences of differences between the tax bases of assets and liabilities and their financial reporting amounts at each balance sheet date, based upon enacted income tax laws and tax rates. Income tax expense or benefit is provided based on earnings reported in the financial statements. The provision for income tax expense or benefit differs from the amounts of income taxes currently payable because certain items of income and expense included in the consolidated financial statements are recognized in different time periods by taxing authorities.

Deferred tax assets, including operating loss, capital loss and tax credit carryforwards, are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that any portion of these tax attributes will not be realized. In addition, from time to time, management must assess the need to accrue or disclose uncertain tax positions for proposed adjustments from various federal, state and foreign tax authorities who regularly audit the company in the normal course of business. In making these assessments, management must often analyze complex tax laws of multiple jurisdictions, including many foreign jurisdictions. The accounting guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The company records the related interest expense and penalties, if any, as tax expense in the tax provision.

Derivative Financial Instruments

The company uses derivative financial instruments for the purpose of hedging commercial risk exposures to fluctuations in interest rates, currency exchange rates, raw material costs, inflation rates and common share prices. The company's derivative instruments are recorded in the consolidated balance sheets at fair value. The company values each derivative financial instrument either by using a single valuation technique based on observable market inputs performed internally or by obtaining valuation information from a reliable and observable market source. For a derivative designated as a cash flow hedge, the derivative's mark to fair value is initially recorded as a component of accumulated other comprehensive earnings and subsequently reclassified into earnings when the hedged item affects earnings, unless it is probable that the forecasted transaction will not occur. Derivatives that do not qualify for hedge accounting are marked to fair value with gains and losses immediately recorded in earnings. In the consolidated statements of cash flows, derivative activities are classified based on the cash flows of the items being hedged.

Realized gains and losses from hedges are classified in the consolidated statements of earnings consistent with the accounting treatment of the items being hedged. Upon the early dedesignation of an effective derivative contract, the gains or losses are deferred in accumulated other comprehensive earnings until the originally hedged item affects earnings unless it is probable the hedged item will not occur at which time it is recognized immediately. Any gains or losses incurred after the dedesignation date are recorded in earnings immediately.

Contingencies

The company is subject to various legal proceedings and claims, including those that arise in the ordinary course of business. The company records loss contingencies when it determines that the outcome of the future event is probable of occurring and the amount of the loss can be reasonably estimated. Gain contingencies are recognized in the financial statements when they are realized.

The determination of a reserve for a loss contingency is based on management's judgment of probability and estimates with respect to the likelihood of an outcome and valuation of the future event. Liabilities are recorded or adjusted when events or circumstances cause these judgments or estimates to change. In assessing whether a loss is probable, Ball may

Ball Corporation
Notes to the Consolidated Financial Statements

consider the following factors, among others: the nature of the litigation, claim or assessment; available information, opinions or views of legal counsel and other advisors; and the experience gained from similar cases by the company and others. The company provides disclosures for material contingencies when there is a reasonable possibility that a loss or an additional loss may be incurred. Actual amounts realized upon settlement of contingencies may be different than amounts recorded and disclosed, and could have a significant impact on the company's consolidated financial statements.

Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of Ball, its consolidated subsidiaries, and variable interest entities in which the company is considered to be the primary beneficiary. Equity investments in which the company exercises significant influence but does not control and is not the primary beneficiary are accounted for using the equity method of accounting. Investments in which the company neither exercises significant influence over the investee, nor is the primary beneficiary of the investment, are accounted for using the cost method of accounting. Intercompany transactions are eliminated in consolidation.

Reclassifications

Certain prior year amounts have been reclassified in order to conform to the current year presentation.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of three months or less.

Inventories

Inventories are stated at the lower of cost or market using either the first-in, first-out (FIFO) cost method of accounting or the average cost method. Inventory cost is calculated for each inventory component taking into consideration the appropriate cost factors including fixed and variable overhead, material price volatility and production levels.

Impairment of Long-Lived Assets

We review long-lived assets for impairment when circumstances indicate the carrying amount of an asset or asset group may not be recoverable based on the undiscounted future cash flows of the asset. We review long-lived assets for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified. If the carrying amount of the asset or asset group is determined not to be recoverable, a write-down to fair value is recorded. Fair values are determined based on quoted market values, discounted cash flows or external appraisals, as applicable.

Depreciation and Amortization

Property, plant and equipment are carried at the cost of acquisition or construction and depreciated over the estimated useful lives of the assets. Repairs and maintenance costs, including labor and material costs for major improvements such as annual production line overhauls, are expensed as incurred, unless those costs substantially increase the useful lives or capacity of the existing assets. Assets are depreciated and amortized using the straight-line method over their estimated useful lives, generally 5 to 40 years for buildings and improvements and 2 to 20 years for machinery and equipment. Finite-lived intangible assets, excluding capitalized software costs, are generally amortized over their estimated useful lives of 3 to 18 years. For capitalized software, costs are generally amortized over their estimated useful

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lives of 3 to 7 years. The company periodically reviews these estimated useful lives and when appropriate, changes are made prospectively.

For certain business consolidation activities, accelerated depreciation may be required over the revised remaining useful life for assets designated to be scrapped or abandoned. The accelerated depreciation related to such activities is disclosed as part of business consolidation and other activities in the appropriate period.

Environmental Reserves

The company estimates its liability for environmental matters based on, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss. The company records the best estimate of a loss when the loss is considered probable. As additional information becomes available, the company reassesses the potential liability related to pending matters and revises the estimates.

Revenue Recognition in the Packaging Segments

The company recognizes sales of products in the packaging segments when the four basic criteria of revenue recognition are met: delivery has occurred, title has transferred, there is persuasive evidence of an agreement or arrangement and the price is fixed or determinable and collection is reasonably assured. Shipping and handling costs are reported within cost of sales in the consolidated statement of earnings. All revenues are presented net of tax.

Revenue Recognition in the Aerospace Segment

Sales under long-term contracts in the aerospace segment are primarily recognized using percentage-of-completion under the cost-to-cost method of accounting. The two primary types of long-term sales contracts utilized are cost-type contracts, which are agreements to perform for cost plus an agreed upon profit component and fixed price sales contracts, which are completed for a fixed-price. Cost-type sales contracts can have different types of fee arrangements, including fixed-fee, cost, milestone and performance incentive fees, award fees or a combination thereof.

At the inception of contract performance, our estimates of base, incentive and other fees are established at a conservative estimate of profit over the period of contract performance. Throughout the period of contract performance, the company regularly reevaluates and, if necessary, revises estimates of total contract revenue, total contract cost, extent of progress toward completion, probability of receipt of any award and performance fees and any clawback provisions included in the contract. Provision for estimated contract losses, if any, is made in the period that such losses are determined to be probable. Because of sales contract payment schedules, limitations on funding and contract terms, our sales and accounts receivable generally include amounts that have been earned but not yet billed. Contract claims are only recorded if it is probable that the claim will result in additional contract revenue and the claim amounts can be reliably estimated. Revenue associated with claims is recorded only for costs already incurred and does not include a profit component. Pre-contract costs that are not approved by the customer for reimbursement are expensed as incurred. As a prime U.S. government contractor or subcontractor, the aerospace segment is subject to a high degree of regulation, financial review and oversight by the U.S. government. All revenues are presented net of tax.

Fair Value Measurements

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price) and establish a fair value hierarchy that prioritizes the inputs used to measure fair value using the following definitions (from highest to lowest priority):

- Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

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- Level 2—Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data by correlation or other means.
- Level 3—Prices or valuation techniques requiring inputs that are both significant to the fair value measurement and unobservable.

Stock-Based Compensation

Ball has a variety of restricted stock, stock option, and stock-settled appreciation rights (SSARs) plans, and the related stock-based compensation is primarily reported as part of selling, general and administrative expenses in the consolidated statements of earnings. The compensation expense associated with restricted stock grants is calculated using the fair value at the date of grant (closing stock price) and is amortized over the restriction period. For stock options and SSARs, the company has elected to use the Black-Scholes valuation model and amortizes the estimated fair value, determined at the date of grant, on a straight-line basis over the requisite service period (generally the vesting period). The company's deferred compensation stock program is subject to variable plan accounting and, accordingly, is valued at the closing price of the company's common stock at the end of each reporting period.

Research and Development

Research and development costs are expensed as incurred in connection with the company's programs for the development of products and processes. Costs incurred in connection with these programs, the majority of which are included in cost of sales, amounted to \$27 million, \$28 million and \$26 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Currency Translation

Assets and liabilities of foreign operations with a functional currency other than the U.S. dollar are translated using period-end exchange rates, and revenues and expenses are translated using average exchange rates during each period. Translation gains and losses are reported in accumulated other comprehensive earnings as a component of shareholders' equity.

2. Accounting Pronouncements

Recently Adopted Accounting Standards

In August 2017, amendments to existing derivative and hedge accounting guidance were issued to simplify existing guidance in order to allow companies to more accurately present the economic effects of risk management activities in the financial statements. The amendments will more closely align the results of cash flow and fair value hedge accounting with risk management activities through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results in the financial statements. This guidance will be effective for annual reporting periods beginning after December 15, 2018, and early adoption is permitted. The company elected to early adopt this guidance during the fourth quarter of 2017, and the adoption did not have a material impact on the company's consolidated financial statements.

In January 2017, amendments to existing accounting guidance were issued simplifying an entity's subsequent goodwill measurement by eliminating Step 2, which requires a hypothetical purchase price allocation, from its annual or interim goodwill impairment test. Pursuant to this guidance, an entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the

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total amount of goodwill allocated to that reporting unit. Additionally, an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. This guidance is required to be applied prospectively on January 1, 2020, and early adoption is permitted. The company elected to early adopt this guidance effective January 1, 2017, and it did not have an impact on the company's consolidated financial statements.

In March 2016, final accounting guidance was issued clarifying that the assessment of whether an embedded contingent put or call option is clearly and closely related to the debt host only requires an analysis of the four-step decision sequence outlined in the accounting standards codification. Consequently, when a contingent put or call option embedded in a debt instrument would be evaluated for possible separate accounting as a derivative instrument, the nature of the exercise contingency would be disregarded. This guidance was applied on a modified retrospective basis on January 1, 2017, and did not have an impact on the company's consolidated financial statements.

In March 2016, final accounting guidance was issued eliminating the requirement to retrospectively apply the equity method in previous periods when an investor initially obtains significant influence over an investee. The new guidance requires the investor to apply the equity method prospectively from the date the investment qualifies for the equity method. The investor will add the carrying value of the existing investment to the cost of the additional investment to determine the initial cost basis of the equity method investment. This guidance was applied prospectively on January 1, 2017, and did not have a material impact on the company's consolidated financial statements.

In March 2016, amendments to existing accounting guidance were issued to simplify various aspects related to how share-based payments are accounted for and presented in the consolidated financial statements. The company adopted these amendments on January 1, 2017, as discussed below, which did not have a material impact on the company's consolidated financial statements.

- All excess tax benefits and tax deficiencies that were previously recognized in common stock are now recognized as income tax provisions (benefits) in the income statement as a discrete item. As required, this change was applied prospectively for settlements occurring after the adoption of the guidance on January 1, 2017.
- Any prior period excess tax benefits that did not reduce taxes payable in the period in which they arose were required to be recorded on a modified retrospective basis, with a cumulative effect adjustment to opening retained earnings. However, the company was able to reduce taxes payable for all previous excess tax benefits and, therefore, was not required to record a cumulative effect adjustment.
- The company elected to use a prospective approach to report all tax-related cash flows resulting from share-based payments as operating activities on the statement of cash flows and, therefore, no adjustments were made to prior periods. Previously, excess tax benefits were reported as part of financing activities.
- The company elected to account for forfeitures as they occur. No cumulative effect adjustment was required as the amount calculated was immaterial.

In March 2016, accounting guidance was issued regarding the effect of derivative contract novations on existing hedge accounting relationships. The amendments clarify that a change in the counterparty to a derivative instrument designated as a hedging instrument does not in and of itself require dedesignation of that hedging relationship, provided that all other hedge accounting criteria continue to be met. The guidance was applied prospectively on January 1, 2017, and it did not have a material impact on the company's consolidated financial statements.

In December 2017, new guidance was issued to permit a range of responses to the U.S. Tax Cuts and Jobs Act (the Act) depending on the degree to which an entity had completed its analysis of the tax effects of the Act. Where the analysis of a given effect of the Act is incomplete at the time of reporting, the guidance allows an entity to book provisional entries (where amounts can be reasonably estimated) or to report under previously applicable tax accounting guidance where amounts under the Act cannot be reasonably estimated. The entity subsequently has a measurement period of up to one

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year to finalize the provisional impacts of the Act. The guidance was immediately effective and Ball applied the option to record provisional impacts of the Act in its results for the year ended December 31, 2017.

New Accounting Guidance

In February 2018, amendments to existing guidance were issued to permit the reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Act. The guidance is effective for Ball on January 1, 2019, with early adoption and retrospective application to the time of implementation of the Act permitted. The company has not elected to early adopt the new guidance in 2017 and is assessing the impact that it is expected to have on the consolidated financial statements.

In May 2017, amendments to existing accounting guidance were issued to provide clarity and reduce diversity in practice, cost and complexity when applying existing accounting guidance for modifications to the terms or conditions of a share-based payment award. The amendments specify that all changes to the terms and conditions of a share-based payment award will require an entity to apply modification accounting, unless all of the following are met: (1) the fair value of the modified award is the same as the fair value of the original award immediately before the original award is modified, (2) the vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the original award is modified and (3) the classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award immediately before the original award is modified. This guidance will be effective for annual reporting periods beginning on January 1, 2018, and early adoption is permitted. The company does not expect the amendments to have a material impact on its consolidated financial statements, and the company has not elected to early adopt this new accounting standard.

In March 2017, amendments to existing accounting guidance were issued to improve the presentation of net periodic pension cost and net periodic postretirement benefit cost, which requires employers to report the service cost component in the same line item as other compensation costs arising from services rendered by the associated employees during the period. The other components of net periodic pension and benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. The amendments also permit only the service cost component of net benefit cost to be eligible for capitalization. This guidance is required to be applied retrospectively for the presentation of the service cost component and the other components of net periodic pension cost and net periodic postretirement benefit cost in the income statement and prospectively for the capitalization of the service cost component. Employers can elect a practical expedient that permits use of the amounts disclosed in its pension footnote for prior comparative periods as the estimation basis for applying the retrospective presentation requirements. The guidance is effective for Ball on January 1, 2018, and early adoption is permitted. The company has not elected to early adopt the new standard and does not expect these amendments to have a material impact on its consolidated financial statements.

In February 2017, amendments to existing accounting guidance were issued to clarify the scope and to add guidance for partial sales of nonfinancial assets. The guidance requires that all entities account for the derecognition of a business in accordance with guidance for consolidation, including instances in which the business is considered to be in substance real estate. This guidance is required to be applied on January 1, 2018, using a full retrospective approach or a modified retrospective approach and early adoption is permitted. The company has not elected to early adopt the new standard and is currently assessing the impact that the adoption of this new guidance will have on its consolidated financial statements.

In January 2017, amendments to existing accounting guidance were issued to further clarify the definition of a business in determining whether or not a company has acquired or sold a business. The amendments provide a screen to determine when an integrated set of assets and activities (collectively referred to as a “set”) is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. If the screen is not met, the amendments in this update (1) require that to be considered a business, a set must include, at a minimum, an input and a

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substantive process that together significantly contribute to the ability to create output and (2) remove the evaluation of whether a market participant could replace missing elements. The amendments also narrow the definition of the term “output” so that the term is consistent with how outputs are described in the new guidance for revenue recognition. The guidance is required to be applied prospectively for Ball on January 1, 2018, and early adoption is permitted. The company has not elected to early adopt the new standard and does not expect these amendments to have a material impact on its consolidated financial statements.

In November 2016, accounting guidance was issued that will require the statement of cash flows to explain the change in the total of cash, cash equivalents and restricted cash or restricted cash equivalents. In addition, restricted cash and restricted cash equivalents will need to be included in a cash reconciliation of beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This guidance is required to be applied retrospectively on January 1, 2018. The company expects there to be a material impact on its 2016 and 2015 statements of cash flows due to approximately \$2 billion of cash received from the issuance of senior notes in December 2015 that the company elected to restrict in an acquisition escrow account. In July 2016, the funds in the escrow account were used to pay a portion of the cash component of the acquisition price of Rexam. The impacts on the company’s 2017 statement of cash flows are not expected to be material.

In October 2016, amendments to existing accounting guidance were issued that will require entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs, as opposed to when the asset is sold to an unrelated third party. The amendments also eliminate the exception for an intra-entity transfer of an asset other than inventory. This guidance is required to be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings on January 1, 2018. The company is currently assessing the impact that the adoption of this new guidance will have on its consolidated financial statements.

In August 2016, accounting guidance was issued addressing the following eight specific cash flow issues:

- Debt prepayment or debt extinguishment costs
- Settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing
- Contingent consideration payments made after a business combination
- Proceeds from the settlement of insurance claims
- Proceeds from the settlement of corporate-owned life insurance policies (including bank-owned life insurance policies)
- Distributions received from equity method investees
- Beneficial interests in securitization transactions
- Separately identifiable cash flows and, for cash flows with aspects of more than one class which are not separately identifiable, classification based on the predominant source for those cash flows

This guidance is required to be applied retrospectively on January 1, 2018, and the company does not expect the guidance to have a material impact on its consolidated financial statements.

In June 2016, amendments to existing accounting guidance were issued that will require financial assets or a group of financial assets measured at amortized cost basis to be presented at the net amount expected to be collected when finalized. The allowance for credit losses is a valuation account that will be deducted from the amortized cost basis of the financial asset to present the net carrying value at the amount expected to be collected on the financial asset. This guidance affects loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables and any other financial assets not excluded from the scope that have the contractual right to receive cash. The guidance will be effective on January 1, 2020. The company is currently assessing the impact that the adoption of this new guidance will have on its consolidated financial statements.

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In February 2016, lease accounting guidance was issued which, for operating leases, will require a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on its balance sheet. The guidance also requires a lessee to recognize a single lease cost, calculated so the cost of the lease is allocated over the lease term, generally on a straight-line basis. The guidance will be effective for Ball on January 1, 2019. The company is currently assessing the impact the adoption of this standard will have on its consolidated financial statements and it is expected that a material amount of lease assets and liabilities will be recorded on its consolidated balance sheet.

In January 2016, accounting guidance was issued on the classification and measurement of financial assets and liabilities (equity securities and financial liabilities) under the fair value option and the presentation and disclosure requirements for financial instruments. The guidance modifies how entities measure equity investments and present changes in the fair value of financial liabilities. Under the new guidance, entities will have to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any related changes in fair value in net income unless the investments qualify for the new practicality exception. An exception will apply to those equity investments that do not have a readily determinable fair value and do not qualify for the practical expedient to estimate fair value under the guidance and, as such, these investments may be measured at cost. The guidance will be effective on January 1, 2018. The company does not expect the guidance to have a material impact on its consolidated financial statements.

New Revenue Guidance

In May 2014, the FASB and International Accounting Standards Board jointly issued new revenue recognition guidance which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The new guidance contains a more robust framework for addressing revenue issues and is intended to remove inconsistencies in existing guidance and improve comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. Under the new standard, revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In July 2015, the FASB approved the deferral of the effective date of the new revenue recognition guidance by one year. The new standard is now effective for annual reporting periods beginning after December 15, 2017.

In March 2016, the principal versus agent guidance within the new revenue recognition standard was amended to clarify how an entity should identify the unit of accounting for the principal versus agent evaluation. The new standard requires an entity to determine whether it is a principal or an agent in a transaction in which another party is involved in providing goods or services to a customer by evaluating the nature of its promise to the customer. An entity is a principal and records revenue on a gross basis if it controls the promised good or service before transferring the good or service to the customer. An entity is an agent and records as revenue the net amount it retains for its agency services if its role is to arrange for another entity to provide the goods or services.

In April 2016, a clarification on implementation guidance related to identifying performance obligations was issued. The amendments clarify when a promised good or service is separately identifiable and allow entities to disregard items that are immaterial in the context of a contract.

In May 2016, narrow scope amendments and practical expedients were issued to clarify the new revenue recognition standard. The amendments clarify the collectability criterion of the revenue standard wherein an entity is allowed to recognize revenue in the amount of consideration received when the following criteria are met: the entity has transferred control of the goods or services, the entity has stopped transferring goods or services, or has no obligation under the contract to transfer additional goods or services and the consideration received from the customer is nonrefundable. The amendments also clarify the following: the fair value of noncash consideration should be measured at contract inception when determining the transaction price, allows an entity to make an accounting policy election to exclude from the transaction price certain types of taxes collected from a customer when the company discloses that policy, for contracts

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to be considered completed at transition, all (or substantially all) of the revenue must have been recognized under legacy U.S. GAAP, and a practical expedient is provided in which an entity can avoid having to evaluate the effects of each contract modification from contract inception through the beginning of the earliest period presented when accounting for contracts that were modified prior to adoption under both the full and modified retrospective transition approach. Additionally, the amendments included a rescission of SEC guidance, because of the new revenue guidance, to revenue and expense recognition for freight services in process, accounting for shipping and handling fees and costs and accounting for consideration given by a vendor to a customer.

In December 2016, technical corrections and improvements were issued on a variety of topics within the new revenue recognition standard. The corrections represent minor corrections or improvements and are not expected to have a significant impact on accounting practices. The amendments clarify the following: guarantee fees within the scope of accounting guidance for guarantees are not within the scope of the new revenue recognition guidance, impairment testing for capitalized contract costs should consider both expected contract renewals and extensions and unrecognized consideration already received along with expected future consideration, the sequence of impairment testing for assets within the scope of different topics, allowance of an accounting policy election to determine the provision for losses at the performance obligation level instead of the contract level, exclude all topics within the financial services–insurance guidance from the scope of the new revenue recognition guidance, allow exemptions from the disclosures of remaining performance obligations, disclosure of prior-period performance obligations pertains to all performance obligations and is not limited to those with corresponding contract balances and better aligns accounting guidance and examples within the guidance.

The new guidance is effective for Ball on January 1, 2018, and will supersede the current revenue recognition guidance, including industry-specific guidance. Entities have the option of using either a full retrospective or modified retrospective approach for the adoption of the standard. We adopted the standard for the period beginning January 1, 2018, using the modified retrospective method.

We established a cross-functional implementation team, which includes representatives from all of our business segments. We utilized a bottoms-up approach to analyze the impact of the new standard on our contracts with customers by reviewing our current accounting policies and practices to identify potential differences that would result from applying the requirements of the new standard to revenues arising from such contracts. In addition, we are finalizing changes to our business processes, systems and controls to support recognition and disclosure under the standard upon adoption.

The most significant impact will be in the way we account for revenue in our global metal beverage packaging segments and, to a lesser extent, in our food and aerosol packaging segment. We currently recognize revenue from many of our contracts in these segments when the four established criteria of revenue recognition under the current guidance have been met, generally occurring upon shipment or delivery of goods. Under the new guidance we expect to recognize revenue from many of these contracts over time, which will accelerate the timing of revenue recognition from these arrangements, such that some portion of revenue will be recognized prior to shipment or delivery of goods. In addition to accelerating the timing of recording revenue, we expect corresponding decreases in inventories with an offsetting increase to unbilled receivables to the extent the amounts have not yet been invoiced to the customer.

Relative to the aerospace segment, at this time we do not expect the implementation of the new standard to materially impact the manner in which we currently recognize revenue as the standard supports the recognition of revenue over time under the “cost-to-cost” method, which is consistent with the current revenue recognition model utilized for the majority of our contracts in this segment. We expect revenue arising from the majority of our contracts to continue to be recognized over time because of the continuous transfer of control to the customer. However, due to the complexity of most of our aerospace contracts, the actual revenue recognition treatment required under the new standard will be dependent on contract-specific terms and may vary in some instances from recognition over time.

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Our processes, systems and internal controls will be in a position to report under the new accounting standard upon adoption in the first quarter of 2018.

3. Business Segment Information

Ball's operations are organized and reviewed by management along its product lines and geographical areas and presented in the five reportable segments outlined below:

Beverage packaging, North and Central America: Consists of operations in the U.S., Canada and Mexico that manufacture and sell metal beverage containers.

Beverage packaging, South America: Consists of operations in Brazil, Argentina and Chile that manufacture and sell metal beverage containers.

Beverage packaging, Europe: Consists of operations in numerous countries in Europe, including Russia, that manufacture and sell metal beverage containers.

Food and aerosol packaging: Consists of operations in the U.S., Europe, Canada, Mexico, Argentina and India that manufacture and sell steel food and aerosol containers, as well as extruded aluminum aerosol containers and aluminum slugs.

Aerospace: Consists of operations that manufacture and sell aerospace and other related products and the provision of services used in the defense, civil space and commercial space industries.

Other consists of non-reportable segments in Africa, Middle East and Asia (AMEA) and Asia Pacific that manufacture and sell metal beverage containers, undistributed corporate expenses, intercompany eliminations and other business activities.

The accounting policies of the segments are the same as those in the consolidated financial statements and are discussed in Note 1. The company also has investments in operations in Guatemala, Panama, South Korea, the U.S. and Vietnam that are accounted for under the equity method of accounting and, accordingly, those results are not included in segment sales or earnings.

Major Customers

Net sales to major customers, as a percentage of consolidated net sales, were as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Anheuser-Busch InBev and subsidiaries	14 %	7 %	10 %
Coca-Cola Bottlers' Sales & Services Company LLC	11 %	9 %	11 %
U.S. Government	9 %	9 %	10 %
Molson Coors Brewing Company and subsidiaries	7 %	9 %	11 %

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Summary of Net Sales by Geographic Area (a)

<u>(\$ in millions)</u>	<u>U.S.</u>	<u>Brazil</u>	<u>Other</u>	<u>Consolidated</u>
2017	\$ 5,496	\$ 1,427	\$ 4,060	\$ 10,983
2016	4,929	904	3,228	9,061
2015	4,738	591	2,668	7,997

(a) Revenue is attributed based on origin of sale and includes intercompany eliminations.

Summary of Net Long-Lived Assets by Geographic Area (a)

<u>(\$ in millions)</u>	<u>U.S.</u>	<u>Brazil</u>	<u>U.K.</u>	<u>Other</u>	<u>Consolidated</u>
As of December 31, 2017	\$ 1,852	\$ 876	\$ 659	\$ 2,629	\$ 6,016
As of December 31, 2016	2,097	885	182	2,327	5,491

(a) Long-lived assets exclude goodwill, intangible assets and noncurrent restricted cash.

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Summary of Business by Segment

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Net sales			
Beverage packaging, North and Central America	\$ 4,178	\$ 3,612	\$ 3,202
Beverage packaging, South America	1,692	1,014	591
Beverage packaging, Europe	2,360	1,915	1,653
Food and aerosol packaging	1,138	1,171	1,297
Aerospace	991	818	810
Reportable segment sales	10,359	8,530	7,553
Other	624	531	444
Net sales	\$ 10,983	\$ 9,061	\$ 7,997
Comparable operating earnings			
Beverage packaging, North and Central America	\$ 533	\$ 469	\$ 402
Beverage packaging, South America	333	185	80
Beverage packaging, Europe	233	217	192
Food and aerosol packaging	102	109	108
Aerospace	98	88	82
Reportable segment comparable operating earnings	1,299	1,068	864
Reconciling items			
Other (a)	(79)	(92)	(63)
Business consolidation and other activities	(221)	(337)	(195)
Amortization of acquired Rexam intangibles	(162)	(65)	—
Catch-up depreciation and amortization for 2016 from finalization of Rexam valuation	(35)	—	—
Cost of sales associated with Rexam inventory step-up	—	(84)	—
Egyptian pound devaluation	—	(27)	—
Earnings before interest and taxes	802	463	606
Interest expense	(285)	(229)	(143)
Debt refinancing and other costs	(3)	(109)	(117)
Total interest expense	(288)	(338)	(260)
Earnings before taxes	514	125	346
Tax (provision) benefit	(165)	126	(47)
Equity in results of affiliates, net of tax	31	15	4
Net earnings	380	266	303
Net earnings attributable to noncontrolling interests	(6)	(3)	(22)
Net earnings attributable to Ball Corporation	\$ 374	\$ 263	\$ 281

(a) Includes undistributed corporate expenses, net, of \$128 million, \$110 million and \$93 million for the years ended December 2017, 2016 and 2015, respectively.

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(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Depreciation and amortization (a)			
Beverage packaging, North and Central America	\$ 179	\$ 117	\$ 73
Beverage packaging, South America	144	78	41
Beverage packaging, Europe	254	121	60
Food and aerosol packaging	56	57	59
Aerospace	31	30	27
Reportable segment depreciation and amortization	664	403	260
Other	65	50	26
Depreciation and amortization	\$ 729	\$ 453	\$ 286
Capital expenditures			
Beverage packaging, North and Central America	\$ 283	\$ 234	\$ 250
Beverage packaging, South America	36	33	25
Beverage packaging, Europe	81	126	122
Food and aerosol packaging	50	80	61
Aerospace	70	41	28
Reportable segment capital expenditures	520	514	486
Other	36	92	42
Capital expenditures	\$ 556	\$ 606	\$ 528

(a) Includes amortization of acquired Rexam intangibles for the years ended December 2017 and 2016.

The company does not disclose total assets by segment as it is not provided to the chief operating decision makers.

4. Acquisitions and Dispositions

Rexam

On June 30, 2016, Ball acquired 100 percent of the outstanding shares of Rexam, a U.K.-based beverage container manufacturer, for the purchase price of £2.9 billion (\$3.8 billion) in cash, and 64.5 million treasury shares of Ball Corporation common stock (valued at \$35.70 per share, as adjusted for the two-for-one stock split, for a total share consideration of \$2.3 billion). Additionally, the company recorded \$24 million of consideration for stock-based compensation. The common shares were valued using the price on the date of acquisition and were presented as a reduction of treasury stock. The cash portion of the acquisition price was paid in July 2016 using proceeds from restricted cash held in escrow and borrowings under the \$1.4 billion and €1.1 billion Term A loan facilities obtained in March 2016.

The consummation of the acquisition was subject to, among other things, approval from Ball's shareholders, approval from Rexam's shareholders, certain regulatory approvals and satisfaction of other customary closing conditions. In order to satisfy certain regulatory requirements, the company was required to sell a portion of Ball's existing beverage packaging business and select beverage can assets of Rexam (the Divestment Business). The sale of the Divestment Business to Ardagh Group S.A. (Ardagh), was completed concurrently on June 30, 2016, for \$3.42 billion, subject to customary closing adjustments and certain transaction service arrangements between Ball and Ardagh during a transition period. The sale agreement with Ardagh in respect of the Divestment Business contains customary representations, warranties, covenants and provisions allocating liabilities, as well as indemnification obligations to and from Ardagh, pursuant to which claims may be made when applicable. A pretax gain on sale \$344 million for the year ended December 31, 2016, was recorded within business consolidation and other activities and was subject to finalization of working capital and other items. The company also entered into a supply agreement with Ardagh to manufacture and sell

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can ends to the Divestment Business in Brazil in exchange for proceeds of \$103 million. As a condition of the sale of the Divestment Business to Ardagh, the company guaranteed a minimum volume of sales for the Divestment Business in 2017, whereby the company was required to pay Ardagh up to \$75 million based upon any shortfall of 2017 sales relative to an agreed-upon minimum threshold. In 2017, the company finalized the Ardagh closing adjustments and minimum volume guarantees and recorded an additional gain on sale of \$55 million.

In connection with the sale of the Divestment Business to Ardagh on June 30, 2016, the company provided indemnifications for the uncertain tax positions of the Divestment Business sold to Ardagh. These indemnifications were accounted for as guarantees and the company initially recognized a liability equal to the fair value of the indemnities. There are no limitations on the maximum potential future payments the company could be obligated to make and, based on the nature of the indemnified items, the company is unable to reasonably estimate its potential exposure under these items in excess of liabilities recorded. During 2017, the company recorded \$34 million in business consolidation and other activities for an increase in the estimated amount of the claims covered by indemnifications for tax matters provided to the buyer in relation to the Divestment Business. The estimated value of the claims under these indemnities is \$55 million at December 31, 2017, and the liabilities have been recorded in other current liabilities.

The portion of the Divestment Business composed of Ball's legacy beverage packaging businesses had earnings before taxes as shown below. These earnings before taxes may not be indicative of the earnings before taxes that would be generated by these components of the Divestment Business in future periods. Additionally, due to complexities associated with how Ball's legacy beverage packaging businesses included in the Divestment Business were integrated into Ball Corporation in historical periods, these earnings before taxes may not be indicative of the earnings before taxes of these Divestment Business components had they been operated as a stand-alone business or businesses.

(\$ in millions)	Years Ended December 31,	
	2016	2015
Earnings before taxes	\$ 104	\$ 178
Earnings before taxes attributable to Ball Corporation	104	170

The Rexam portion of the Divestment Business is not included in the table above as the financial information is not included in Ball's historical results.

A total of 54 manufacturing facilities were acquired from Rexam, including 17 in North America, 20 in Europe, 12 in South America and five in the AMEA region. A total of 22 manufacturing facilities were sold as part of the Divestment Business, including 12 Ball facilities and 10 Rexam facilities. Of these 22 facilities, eight are located in North America, 12 are located in Europe and two are located in Brazil. The company had a total of 75 beverage manufacturing facilities and joint ventures after the completion of the Rexam acquisition and sale of the Divestment Business.

The Rexam acquisition aligns with Ball's Drive for 10 vision, including the company's long-standing capital allocation strategy and EVA philosophy. The combination created the world's largest supplier of beverage containers allowing the company to better serve its customers with its enhanced geographic footprint and innovative product offerings. In particular, Ball expects the acquisition to continue to deliver long-term shareholder value through optimizing global sourcing, reducing general and administrative expenses, sharing best practices to improve production efficiencies and leveraging its footprint to lower freight, logistics and warehousing costs. In addition, further value can continue to be created through balance sheet improvements with a focus on working capital and inventory management and sustainability priorities as a result of the larger plant network.

The Rexam acquisition was accounted for as a business combination and its results of operations have been included in the company's consolidated statements of earnings and cash flows from the date of acquisition. In total, pretax charges of \$216 million were incurred for transaction costs associated with the acquisition which, in accordance with current accounting guidance, were expensed as incurred. The transaction costs are included in the business consolidation and other activities line in the consolidated statement of earnings.

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In connection with the acquisition, Ball assumed Rexam debt of approximately \$2.8 billion, of which approximately \$2.7 billion was extinguished during 2016. The proceeds from the sale of the Divestment Business were partially used to extinguish the assumed Rexam debt.

During the second quarter of 2017, the company finalized the allocation of the purchase price for the Rexam acquisition. The measurement period adjustments to the acquisition fair values and useful lives for acquired identifiable intangible assets and fixed assets were due to the refinement of our valuation models, assumptions and inputs. The updated assumptions and inputs incorporated additional information obtained subsequent to the closing of the transaction related to facts and circumstances that existed as of the acquisition date. The final purchase price allocation changes during the second quarter of 2017 included an increase of \$590 million in the value of intangible assets, an increase of \$31 million in the value of investments in affiliates and a decrease of \$384 million in the value of goodwill. Net long-term deferred tax liabilities also increased by \$244 million primarily due to the tax effect of these changes to the final purchase price allocation. The company recorded an additional charge of \$35 million in 2017 in relation to the year ended December 31, 2016, for incremental depreciation and amortization related to the finalization of Rexam asset values and useful lives.

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The cumulative impacts of all adjustments have been reflected in the consolidated financial statements, which are summarized in the table below:

(\$ in millions)	June 30, 2016
Cash	\$ 450
Receivables, net	778
Inventories, net	782
Other current assets	165
Assets held for sale (sold to Ardagh on June 30, 2016)	911
Total current assets	3,086
Property, plant and equipment	2,301
Goodwill	3,415
Intangible assets	2,478
Restricted cash	174
Other assets	490
Total assets acquired	11,944
Short-term debt and current portion of long-term debt	2,792
Accounts payable	858
Accrued employee costs	135
Liabilities held for sale (sold to Ardagh on June 30, 2016)	7
Other current liabilities	373
Total current liabilities	4,165
Long-term debt	28
Employee benefit obligations	508
Deferred taxes and other liabilities	993
Total liabilities assumed	5,694
Net assets acquired	6,250
Noncontrolling interests	(90)
Aggregate value of consideration paid	\$ 6,160

The following table details the identifiable intangible assets acquired, their fair values and estimated useful lives:

(\$ in millions)	Fair Value	Weighted-Average Estimated Useful Life (in Years)
Customer relationships	\$ 2,437	17
Trademarks	41	3
	<u>\$ 2,478</u>	

Because the acquisition of Rexam was a stock purchase, neither the goodwill nor the intangible assets acquired are deductible under local country corporate tax laws; however, they will generally be deductible in computing earnings and profits for U.S. tax purposes.

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The following unaudited pro forma consolidated results of operations (pro forma information) have been prepared as if the acquisition of Rexam and the sale of the Divestment Business had occurred as of January 1, 2015. The pro forma information combines the historical results of Ball and Rexam. The pro forma information is not necessarily indicative of the actual results that would have occurred had the acquisition been in effect for the periods presented, nor is it necessarily indicative of the results that may be obtained in the future.

(\$ in millions, except per share amounts)	Years Ended December 31,	
	2016	2015
Net sales <i>(a)</i>	\$ 10,455	\$ 11,190
Net earnings attributable to Ball Corporation <i>(b)</i>	227	(417)
Basic earnings per share	0.65	(1.19)
Diluted earnings per share	0.64	(1.19)

(a) Net sales were adjusted to include net sales of Rexam. The company also excluded the net sales attributable to the Divestment Business.

(b) Pro forma adjustments to net earnings attributable to Ball Corporation were adjusted as follows:

- Excludes acquisition-related transaction costs and debt refinancing costs incurred in the year ended December 31, 2016, pro forma statements of earnings. The twelve months ended December 31, 2015, pro forma net earnings were adjusted to include the acquisition-related transaction costs and debt refinancing costs incurred in the year ended December 31, 2016, as the pro forma information shown assumes that the Rexam acquisition has been consummated as of January 1, 2015.
- Includes interest expense associated with the new debt utilized to finance the acquisition.
- Includes depreciation and amortization expense based on the final fair value of property, plant and equipment and amortizable intangible assets acquired.
- Includes an additional charge to cost of sales of \$84 million in the year ended December 31, 2015, based on the step-up value of inventory, and removes the charge of \$84 million for the year ended December 31, 2016.
- Excludes net earnings attributable to the Divestment Business for the years ended December 31, 2016 and 2015.
- Excludes the gain on sale of the Divestment Business for the year ended December 31, 2016.
- Includes the effect of final measurement period adjustments for the years ended December 31, 2016 and 2015.

All of these pro forma adjustments were adjusted for the applicable income tax impacts. Ball has applied enacted statutory tax rates in the U.K. during the periods indicated above. Ball used a tax rate of 20 percent and 20.25 percent to calculate the financing, acquisition and divestment business-related adjustments for the years ended December 31, 2016 and 2015, respectively. However, the tax impact on acquisition-related transaction costs already incurred was recorded at a U.S. statutory rate of approximately 37 percent as these transaction costs were incurred in the U.S. These rates may not be reflective of Ball's effective tax rate for future periods after the Rexam acquisition and sale of the Divestment Business.

In the fourth quarter of 2015, Ball completed the acquisition of the remaining outstanding noncontrolling interests in a Ball-consolidated joint venture company (Latapack-Ball) organized and operating in Brazil. Ball and its joint venture partners reached an agreement for the partners to exchange all of their interest in Latapack-Ball for a total of approximately 11.4 million treasury shares of Ball common stock, as retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017, and \$17 million of cash. The acquisition of the noncontrolling interests in the joint venture was completed in December 2015, and Latapack-Ball is now a wholly owned subsidiary of Ball and its results are recorded in the beverage packaging, South America, segment.

Ball Corporation
Notes to the Consolidated Financial Statements**Food and Aerosol Paint and General Line Plant**

In March 2017, the company sold its paint and general line can manufacturing facility in Hubbard, Ohio, for approximately \$32 million in cash and recorded a \$15 million gain on the sale.

Food and Aerosol Specialty Tin Business

In October 2016, the company sold its specialty tin manufacturing facility in Baltimore, Maryland, for approximately \$24 million in cash and recorded a \$9 million gain on the sale.

Wavefront Technologies (Wavefront)

In January 2016, the company acquired Wavefront located in Annapolis Junction, Maryland, for total cash consideration of \$36 million, net of cash acquired. Wavefront provides systems and network engineering, software development software and analytical services for cyber and mission-focused programs to the U.S. government and commercial industry. The financial results of Wavefront have been included in our aerospace segment from the date of acquisition. The acquisition is not material to the company.

5. Business Consolidation and Other Activities

Following is a summary of business consolidation and other activity (charges) income included in the consolidated statements of earnings:

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Beverage packaging, North and Central America	\$ (47)	\$ (20)	\$ (19)
Beverage packaging, South America	(5)	(15)	(3)
Beverage packaging, Europe	(89)	(24)	(10)
Food and aerosol packaging	6	(26)	—
Aerospace	—	—	1
Other	(86)	(252)	(164)
	<u>\$ (221)</u>	<u>\$ (337)</u>	<u>\$ (195)</u>

2017*Beverage Packaging, North and Central America*

During 2017, the company announced the closure of its beverage can manufacturing facilities in Chatsworth, California, and Longview, Texas, and its beverage end manufacturing facility in Birmingham, Alabama. The Birmingham plant is expected to cease production by the end of the second quarter of 2018, and the Chatsworth and Longview plants are expected to cease production by the end of the third quarter of 2018. During 2017, the company recorded charges of \$29 million for employee severance and benefits and \$4 million for facility shutdown costs, asset impairment, accelerated depreciation and other costs related to the closures. The majority of these charges are expected to be paid by the end of the third quarter of 2018.

In 2016, the company announced the closure of its beverage packaging facility in Reidsville, North Carolina, which ceased production during the second quarter of 2017. During 2017, the company recorded charges of \$9 million for employee severance and benefits, facility shutdown costs, asset impairment, accelerated depreciation and other costs related to the closure of its Reidsville, North Carolina, plant.

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Other charges in 2017 included \$5 million of individually insignificant activities.

Beverage Packaging, South America

Charges in 2017 included \$3 million of professional services and other costs associated with the acquisition of Rexam and \$2 million for individually insignificant activities.

Beverage Packaging, Europe

During 2017, the company closed its beverage packaging facility in Recklinghausen, Germany. During 2017, the company recorded charges of \$59 million for employee severance and benefits and \$22 million for facility shutdown costs, asset impairment, accelerated depreciation and other costs. The company expects to incur approximately \$15 million of additional expense related to the closure. The majority of these charges are expected to be paid by the end of 2018.

During 2017, the company recorded charges of \$4 million for professional services and other costs associated with the acquisition of Rexam.

Other charges in 2017 included \$4 million for individually insignificant activities.

Food and Aerosol Packaging

During 2017, the company recorded charges of \$7 million for facility shutdown costs and accelerated depreciation for the closure of its Weirton, West Virginia, plant.

In 2017, the company sold its food and aerosol packaging paint and general line can plant in Hubbard, Ohio, and recorded a gain on sale of \$15 million.

Other charges in 2017 included \$2 million for individually insignificant activities.

Other

During 2017, the company recorded the following amounts:

- A settlement loss of \$44 million primarily related to the purchase of non-participating group annuity contracts to settle a portion of the projected pension benefit obligations in certain Ball U.S. defined benefit pension plans which triggered settlement accounting. The settlement loss primarily represented a pro rata portion of the aggregate unamortized actuarial loss in these pension plans.
- Expense of \$34 million for the estimated amount of claims covered by the indemnification for certain tax matters provided to the buyer in the sale of the Divestment Business.
- Expense of \$25 million for long-term incentive and other compensation arrangements associated with the Rexam acquisition.
- A \$55 million gain recognized in connection with the sale of the Ball portion of the Divestment Business.
- Expense of \$12 million for professional services and other costs associated with the acquisition of Rexam.
- Expense of \$26 million for individually insignificant activities.

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2016

Beverage Packaging, North and Central America

During 2016, the company recorded charges of \$4 million for professional services and other costs associated with the acquisition of Rexam.

During 2016, the company recorded charges of \$4 million related to the plant closure in Bristol, Virginia, announced in 2015.

In 2016, the company announced the planned closure of its beverage packaging facility in Reidsville, North Carolina, which ceased production in 2017. Charges in 2016 of \$9 million were comprised of employee severance, pension and other benefits, asset impairments, and facility shut down and disposal costs.

Other charges in 2016 included \$3 million of individually insignificant activities.

Beverage Packaging, South America

During 2016, the company recorded charges of \$14 million for professional services and other costs associated with the acquisition of Rexam.

Other charges in 2016 included \$1 million of individually insignificant activities.

Beverage Packaging, Europe

During 2016, the company recorded charges of \$22 million for professional services and other costs associated with the acquisition of Rexam.

Other charges in 2016 included \$2 million of individually insignificant activities.

Food and Aerosol Packaging

In 2016, the company announced the planned closure of its food and aerosol packaging flat sheet production and end-making facility in Weirton, West Virginia, which ceased production in the first quarter of 2017. Charges in 2016 of \$18 million were composed of employee severance and benefits, facility shutdown costs, and asset impairment and disposal costs.

In 2016, the company sold its specialty tin manufacturing facility in Baltimore, Maryland, which resulted in a gain on sale of \$9 million.

During 2016, the company rationalized certain manufacturing equipment to align production capacity with its customer requirements. The charge recorded of \$10 million included accelerated depreciation of the rationalized equipment and write offs of costs associated with relocated assets.

Other charges in 2016 included \$7 million of individually insignificant activities.

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Notes to the Consolidated Financial Statements

Other

During 2016, the company recorded the following charges:

- Expense of \$301 million for professional services and other costs associated with the acquisition of Rexam.
- Foreign currency losses of \$173 million from the revaluation of foreign currency denominated restricted cash and intercompany loans related to the cash component of the Rexam acquisition purchase price, the sale of the Divestment Business and the revaluation of the euro-denominated debt issuance obtained in December 2015.
- Expense of \$108 million for long-term incentive and other compensation arrangements associated with the Rexam acquisition.
- A gain of \$344 million in connection with the sale of the Ball portion of the Divestment Business.
- Expense of \$14 million for individually insignificant activities.

2015

Beverage Packaging, North and Central America

During 2015, the company announced the planned closure of its Bristol, Virginia, beverage packaging end-making facility, which ceased production in 2016. The company recorded charges of \$19 million in 2015, which were comprised of \$17 million in severance, pension and other employee benefits and other individually insignificant items totaling \$2 million.

Beverage Packaging, South America

During 2015, the company recognized charges of \$3 million for individually insignificant items.

Beverage Packaging, Europe

During 2015, the company recorded a charge of \$5 million for the write down of property held for sale to fair value less cost to sell.

During 2015, the company also recognized charges of \$5 million for individually insignificant items.

Aerospace

During 2015, the company recognized a net \$1 million gain for individually insignificant items.

Other

During the year ended December 31, 2015, the company recorded the following charges:

- Expenses of \$139 million for professional services and other costs associated with the acquisition of Rexam announced in February 2015.
- \$14 million of net foreign currency gains and losses from the revaluation of foreign currency denominated restricted cash held to pay a portion of the cash component of the Rexam acquisition purchase price and the revaluation of the euro-denominated debt issuance in December 2015.
- Expenses of \$11 million for individually insignificant activities.

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Following is a summary by segment for the restructuring liabilities recorded in other current liabilities and accrued employee costs in connection with business consolidation activities:

(\$ in millions)	Beverage Packaging, North & Central America	Beverage Packaging, Europe	Food & Aerosol Packaging	Other	Total
Balance at December 31, 2016	\$ 8	\$ 4	\$ 6	\$ 2	\$ 20
Charges in earnings	24	67	8	1	100
Cash payments and other activity	(6)	(30)	(13)	(3)	(52)
Balance at December 31, 2017	<u>\$ 26</u>	<u>\$ 41</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 68</u>

6. Receivables

(\$ in millions)	December 31,	
	2017	2016
Trade accounts receivable	\$ 1,353	\$ 1,169
Less allowance for doubtful accounts	(10)	(11)
Net trade accounts receivable	1,343	1,158
Other receivables	291	333
	<u>\$ 1,634</u>	<u>\$ 1,491</u>

Net accounts receivable under long-term contracts, due primarily from agencies of the U.S. government and their prime contractors, were \$214 million and \$224 million for the years ended December 31, 2017 and 2016, respectively, and included \$153 million and \$165 million at each period end, respectively, representing the recognized sales value of performance that was not yet billable to customers. The average length of the long-term contracts is approximately 2.7 years, and the average length remaining on those contracts at December 31, 2017, was one year. At December 31, 2017, \$214 million of net accounts receivables is expected to be collected within the next year and is related to customary fees and cost withholdings that will be paid upon milestone or contract completions, as well as final overhead rate settlements.

Other receivables include income and sales tax receivables, certain vendor rebate receivables and other miscellaneous receivables.

The company has entered into several regional uncommitted and committed accounts receivable factoring programs with various financial institutions for certain receivables of the company. Programs accounted for as true sales of the receivables, without recourse to Ball, had combined limits of approximately \$1.0 billion at December 31, 2017. A total of \$439 million and \$374 million were available for sale under these programs as of December 31, 2017 and 2016, respectively.

7. Inventories

(\$ in millions)	December 31,	
	2017	2016
Raw materials and supplies	\$ 691	\$ 607
Work-in-process and finished goods	902	839
Less inventory reserves	(67)	(33)
	<u>\$ 1,526</u>	<u>\$ 1,413</u>

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8. Property, Plant and Equipment

(\$ in millions)	December 31,	
	2017	2016
Land	\$ 172	\$ 105
Buildings	1,390	1,301
Machinery and equipment	5,282	4,723
Construction-in-progress	542	503
	<u>7,386</u>	<u>6,632</u>
Accumulated depreciation	(2,776)	(2,245)
	<u>\$ 4,610</u>	<u>\$ 4,387</u>

Property, plant and equipment are stated at historical or acquired cost. Depreciation expense amounted to \$509 million, \$349 million and \$247 million for the years ended December 31, 2017, 2016 and 2015, respectively. Noncash investing activities include the acquisition of property, plant and equipment that has not yet been paid. These noncash capital expenditures are excluded from the statement of cash flows and were \$124 million for the year ended December 31, 2017.

9. Goodwill

(\$ in millions)	Beverage Packaging, North & Central America	Beverage Packaging, South America	Beverage Packaging, Europe	Food & Aerosol Packaging	Aerospace	Other	Total
	Balance at December 31, 2015	\$ 561	\$ 100	\$ 817	\$ 612	\$ 9	\$ 78
Business acquisition	1,053	901	1,625	—	31	192	3,802
Business dispositions	—	(31)	(783)	(8)	—	—	(822)
Effects of currency exchange	—	—	(27)	(5)	—	(30)	(62)
Balance at December 31, 2016	\$ 1,614	\$ 970	\$ 1,632	\$ 599	\$ 40	\$ 240	\$ 5,095
Opening balance sheet adjustments	(339)	329	(274)	—	—	(68)	(352)
Business dispositions	—	—	—	(9)	—	—	(9)
Effects of currency exchange	—	—	173	19	—	7	199
Balance at December 31, 2017	<u>\$ 1,275</u>	<u>\$ 1,299</u>	<u>\$ 1,531</u>	<u>\$ 609</u>	<u>\$ 40</u>	<u>\$ 179</u>	<u>\$ 4,933</u>

During the second quarter of 2017, the company finalized the allocation of the purchase price for the Rexam acquisition. The decrease related to goodwill is a result of the finalization of fair values and useful lives of fixed assets and intangibles acquired in the Rexam acquisition.

The company's annual goodwill impairment test completed in the fourth quarter of 2017 indicated that the fair value of the metal beverage packaging, Asia Pacific (Beverage Asia Pacific) reporting unit exceeded its carrying amount by approximately 24 percent. The current supply of metal beverage packaging exceeds demand in China, resulting in pricing pressure and negative impacts on the profitability of our Beverage Asia Pacific reporting unit. If it becomes an expectation that this oversupply situation will continue for an extended period of time, the company may be required to record a noncash impairment charge for some or all of the goodwill associated with the Beverage Asia Pacific reporting unit, the total balance of which was \$78 million at December 31, 2017.

Ball Corporation
Notes to the Consolidated Financial Statements**10. Intangible Assets, net**

(\$ in millions)	December 31,	
	2017	2016
Acquired Rexam intangibles (net of accumulated amortization of \$246 million at December 31, 2017, and \$62 million at December 31, 2016)	\$ 2,303	\$ 1,766
Capitalized software (net of accumulated amortization of \$129 million at December 31, 2017, and \$87 million at December 31, 2016)	84	79
Other intangibles (net of accumulated amortization of \$163 million at December 31, 2017, and \$143 million at December 31, 2016)	75	89
	<u>\$ 2,462</u>	<u>\$ 1,934</u>

Total amortization expense of intangible assets amounted to \$220 million, \$104 million and \$39 million for the years ended December 31, 2017, 2016 and 2015, respectively, including \$162 million in 2017 and \$65 million in 2016 of amortization expense related to the acquired intangible assets from Rexam. Based on intangible asset values and currency exchange rates as of December 31, 2017, total annual intangible asset amortization expense is expected to be \$208 million, \$195 million, \$184 million, \$175 million and \$169 million for the years ending December 31, 2018 through 2022, respectively, and \$1.5 billion combined for all years thereafter.

11. Other Assets

(\$ in millions)	December 31,	
	2017	2016
Long-term deferred tax assets	\$ 325	\$ 443
Long-term pension assets	504	147
Investments in affiliates	274	204
Company and trust-owned life insurance	160	146
Other	143	164
	<u>\$ 1,406</u>	<u>\$ 1,104</u>

Investments in affiliates primarily includes the company's 40 percent ownership interest in an entity in South Korea, a 50 percent ownership interest in an entity in Guatemala, a 50 percent ownership interest in an entity in Panama, a 50 percent ownership interest in an entity in Vietnam, and a 50 percent ownership interest in an entity in the U.S.

12. Leases

The company leases office, warehousing and manufacturing space and certain equipment in the packaging segments and office and technical space in the aerospace segment. Total noncancellable operating leases in effect at December 31, 2017, require rental payments of \$45 million, \$34 million, \$25 million, \$21 million and \$16 million for the years 2018 through 2022, respectively, and \$67 million combined for all years thereafter. Lease expense for all operating leases was \$77 million, \$57 million and \$66 million in 2017, 2016 and 2015, respectively.

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13. Debt and Interest Costs

Long-term debt and interest rates in effect consisted of the following:

(\$ in millions)	December 31,	
	2017	2016
Senior Notes		
5.25% due July 2025	\$ 1,000	\$ 1,000
4.375% due December 2020	1,000	1,000
4.00% due November 2023	1,000	1,000
4.375%, euro denominated, due December 2023	840	736
5.00% due March 2022	750	750
3.50%, euro denominated, due December 2020	480	421
Senior Credit Facilities, due March 2021 (at variable rates)		
Term A loan, due June 2021	1,313	1,383
Term A loan, euro denominated, due June 2021	—	954
Multi-currency, U.S. dollar revolver, due March 2021	285	190
Other (including debt issuance costs)	(37)	(45)
	6,631	7,389
Less: Current portion of long-term debt	(113)	(79)
	<u>\$ 6,518</u>	<u>\$ 7,310</u>

Following is a summary of debt refinancing and other costs included in the consolidated statements of earnings:

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Debt Refinancing and Other Costs:			
Interest expense on 3.5% and 4.375% senior notes	\$ —	\$ (49)	\$ (5)
Refinance of bridge and revolving credit facilities	—	(30)	(16)
Economic hedge - interest rate risk	—	(20)	(16)
Amortization of unsecured, committed bridge facility financing fees	—	(7)	(23)
Redemption of 6.75% and 5.75% senior notes, due September 2020 and May 2021, respectively, and refinance of senior credit facilities	—	—	(57)
Individually insignificant items	(3)	(3)	—
	<u>\$ (3)</u>	<u>\$ (109)</u>	<u>\$ (117)</u>

The senior credit facilities include long-term, multi-currency committed revolving credit facilities that provide the company with up to the U.S. dollar equivalent of \$1.5 billion. At December 31, 2017, taking into account outstanding letters of credit, approximately \$1.2 billion was available under these revolving credit facilities. In addition, the company had \$751 million of short-term uncommitted credit facilities available at December 31, 2017, of which \$340 million was outstanding and due on demand. At December 31, 2016, the company had \$143 million outstanding under short-term uncommitted credit facilities. The weighted average interest rate of the outstanding short-term facilities was 2.31 percent at December 31, 2017, and 1.67 percent at December 31, 2016.

In anticipation of the June 2016 acquisition of Rexam, the company entered into a £3.3 billion Bridge Facility in February 2015. Additionally, in December 2015, Ball issued \$1 billion of 4.375 percent senior notes, €400 million of 3.5 percent senior notes and €700 million of 4.375 percent senior notes. The company elected to restrict these proceeds in an escrow account, which enabled the reduction of its Bridge Facility to £1.9 billion. Until the acquisition was consummated, interest on the Bridge Facility and these senior notes was included in debt refinancing and other costs.

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In March 2016, Ball refinanced in full its then existing £1.9 billion Bridge Facility with a \$1.4 billion Term A loan facility available to Ball and a €1.1 billion Term A loan facility available to a subsidiary of Ball (collectively, the Term Loans), and refinanced in full its then existing revolving credit facility with a long-term, multi-currency revolver available until March 2021. The euro Term A loan was repaid during 2017.

In connection with the June 2016 acquisition of Rexam, Ball assumed Rexam's debt of approximately \$2.8 billion, of which \$2.7 billion was extinguished in July and August 2016. The company used the proceeds from the sale of the Divestment Business to partially extinguish the assumed Rexam debt. Also in July 2016, Ball repaid the Latapack-Ball notes.

Fees paid in connection with obtaining financing for the Rexam acquisition, which totaled \$32 million and \$77 million in 2016 and 2015, respectively, are classified as other, net in cash flows from financing activities in the consolidated statements of cash flows.

The fair value of the long-term debt was estimated to be \$7.0 billion at December 31, 2017, which approximated its carrying value of \$6.6 billion. The fair value was estimated to be \$7.7 billion at December 31, 2016, which approximated its carrying value of \$7.4 billion. The fair value reflects the market rates at each period end for debt with credit ratings similar to the company's ratings and is classified as Level 2 within the fair value hierarchy. Rates currently available to the company for loans with similar terms and maturities are used to estimate the fair value of long-term debt based on discounted cash flows.

Long-term debt obligations outstanding at December 31, 2017, have maturities (excluding unamortized debt issuance costs of \$60 million) of \$113 million, \$218 million, \$1.6 billion, \$1.1 billion and \$750 million in the years ending December 31, 2018 through 2022, respectively, and \$2.8 billion thereafter.

Ball provides letters of credit in the ordinary course of business to secure liabilities recorded in connection with certain self-insurance arrangements. Letters of credit outstanding at December 31, 2017 and 2016, were \$33 million and \$32 million, respectively.

Interest payments were \$287 million, \$190 million and \$130 million in 2017, 2016 and 2015, respectively.

The company's senior notes and senior credit facilities are guaranteed on a full, unconditional and joint and several basis by certain of the company's material subsidiaries. Each of the guarantor subsidiaries is 100 percent owned by Ball Corporation. These guarantees are required in support of these notes and credit facilities, are coterminous with the terms of the respective note indentures and would require performance upon certain events of default referred to in the respective guarantees. Note 22 includes further details about the company's debt guarantees and Note 23 contains further details, as well as required condensed consolidating financial information for the company, segregating the guarantor subsidiaries and non-guarantor subsidiaries as defined in the debt agreements.

The U.S. note agreements and bank credit agreement contain certain restrictions relating to dividend payments, share repurchases, investments, financial ratios, guarantees and the incurrence of additional indebtedness. The most restrictive of the company's debt covenants require the company to maintain a leverage ratio (as defined) of no greater than 4 times at December 31, 2017.

The company was in compliance with all loan agreements and debt covenants at December 31, 2017 and 2016, and has met all debt payment obligations.

Ball Corporation
Notes to the Consolidated Financial Statements**14. Taxes on Income**

The amount of earnings (loss) before income taxes is:

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
U.S.	\$ 147	\$ (381)	\$ 47
Foreign	367	506	299
	<u>\$ 514</u>	<u>\$ 125</u>	<u>\$ 346</u>

The provision (benefit) for income tax expense is:

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Current			
U.S.	\$ 6	\$ (3)	\$ 26
State and local	—	27	7
Foreign	77	143	76
Total current	<u>83</u>	<u>167</u>	<u>109</u>
Deferred			
U.S.	92	(67)	(38)
State and local	7	(17)	(4)
Foreign	(17)	(209)	(20)
Total deferred	<u>82</u>	<u>(293)</u>	<u>(62)</u>
Tax provision (benefit)	<u>\$ 165</u>	<u>\$ (126)</u>	<u>\$ 47</u>

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The income tax provision recorded within the consolidated statements of earnings differs from the provision determined by applying the U.S. statutory tax rate to pretax earnings as a result of the following:

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Statutory U.S. federal income tax	\$ 180	\$ 44	\$ 121
Increase (decrease) due to:			
Foreign tax rate differences including tax holidays	(52)	(71)	(51)
Foreign tax law and rate changes	(28)	—	—
U.S. tax reform (a)	83	—	—
Permanent differences on business dispositions	18	(62)	—
Foreign subsidiaries restructuring	—	(145)	—
Non-deductible transaction costs	—	52	—
U.S. state and local taxes, net	3	6	2
U.S. taxes on foreign earnings, net of tax deductions and credits	(6)	21	2
U.S. manufacturing deduction	(8)	—	(4)
U.S. research and development tax credits	(9)	(9)	(15)
Uncertain tax positions, including interest	(3)	3	(4)
Company and trust-owned life insurance	(7)	(6)	(2)
Change in valuation allowances	15	46	—
Benefit from equity compensation	(16)	(5)	—
Other, net	(5)	—	(2)
Provision (benefit) for taxes	\$ 165	\$ (126)	\$ 47
Effective tax rate expressed as a percentage of pretax earnings	32.1 %	(100.8)%	13.6 %

(a) Includes the impact of the tax expense accrued on undistributed foreign earnings, net of the related foreign tax credits. The total income tax provision impact of the transition tax, net of associated foreign tax credit, is offset by a corresponding change in the valuation allowance previously recorded against U.S. foreign tax credit carryforwards.

The 2017 effective income tax rate was 32.1 percent compared to negative 100.8 percent for 2016. The effective rate was increased by 16.1 percent for U.S. tax reform, including the impact of the transition tax and remeasurement of the company's net deferred tax asset in the U.S., and by 3.5 percent for discrete tax costs associated with certain business dispositions. The effective rate was reduced by 7.2 percent for the impact of the foreign tax rate differential, net of valuation allowance impact, and tax holidays versus the U.S. tax rate, and by 5.4 percent for the impact of current year changes in various foreign tax laws, including the U.K. The 2017 effective rate was also reduced by 3.1 percent for the discrete tax benefit associated with the adoption in the first quarter of 2017 of amendments to existing accounting guidance for stock-based compensation, by 1.8 percent for the impact of the U.S. R&D credit, and by 1.6 percent for the impact of the U.S. domestic manufacturing deduction and of the foregoing, the impact of U.S. tax reform, discrete tax costs associated with certain business dispositions, the impact of current year changes to certain foreign tax laws and the impact of the domestic manufacturing deduction are primarily related to discrete transactions or changes in tax law that are not expected to recur in future periods.

The 2016 effective income tax rate was negative 100.8 percent compared to 13.6 percent for 2015. The lower tax rate in 2016 compared to 2015 was primarily due to the tax benefit recorded for tax deductible goodwill created as a result of the 2016 legal entity restructuring in Brazil. The 2016 tax rate was also reduced for increased benefits from foreign tax rate differences related to 2016 acquisitions and by permanent differences on 2016 business dispositions. These amounts were partially offset by the tax impact of non-deductible transaction costs related to 2016 acquisitions and increases in valuation allowances, primarily for losses in the U.K. where no tax benefit was expected.

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On December 22, 2017, the U.S. Tax Cuts and Jobs Act (the Act) was signed into law. The Act significantly changed U.S. income tax law by, among other things, reducing the U.S. federal income tax rate from 35 percent to 21 percent, transitioning from a global tax system to a modified territorial tax system, eliminating the domestic manufacturing deduction, providing for immediate expensing of certain qualified capital expenditures and limiting the tax deductions for interest expense and executive compensation. In the fourth quarter of 2017, the company recorded tax expense of \$83 million for the estimated impact of the mandatory deemed repatriation of its foreign earnings and revaluation of its U.S. deferred tax assets and liabilities. The company's review of the implications of the Act will be ongoing throughout 2018, and as such, adjustments to any provisional estimates of the Act's impact may be required. These provisional estimates are as follows:

- Reduction of U.S. federal corporate tax rate: The company has recorded a provisional increase to tax expense of \$52 million for the estimated impact of revaluing its net deferred tax asset position in the U.S. at the new 21 percent corporate tax rate. While this is a reasonable estimate, it may be impacted by other analyses related to the Act, including the calculation of the transition tax;
- Transition tax: The company has recorded a provisional increase to tax expense of \$31 million to reflect the impact of the tax on accumulated untaxed earnings and profits (E&P) of certain foreign affiliates. To determine the amount of the transition tax, the amount of the post-1986 E&P and the amount of non-U.S. income taxes paid on such earnings must be calculated for all relevant foreign affiliates. While this estimated impact is reasonable, additional information will be gathered and analyzed in order to more precisely calculate the final impact of the transition tax;
- Valuation allowances: The company must assess the impact of the various aspects of the Act on its valuation allowance analyses, including the transition tax. As the company has recorded provisional estimates with respect to certain aspects of the Act, any corresponding impacts from changes in valuation allowances are also provisional estimates; and
- Cost recovery: The company has made a provisional estimate of the impact on its current tax expense and deferred tax liabilities associated with the new immediate expensing provisions for certain qualifying expenditures made after September 27, 2017. The estimate will be refined as the necessary computations are completed with respect to the full inventory of all qualifying 2017 expenditures.

Due to the complexity of the new provisions for global intangible low-taxed income (GILTI) and the base erosion anti-abuse tax (BEAT), the company is continuing to evaluate the accounting implications of these provisions of the Act. The company is allowed to make an accounting policy choice of either (1) treating taxes due for GILTI or BEAT as a current-period expense when incurred or (2) factoring such amounts into the company's measurement of its deferred taxes. The calculation of the impact and selection of an accounting policy will depend on a detailed analysis of the company's global income and other tax attributes to determine the potential impact, if any, of these provisions. The company is not currently able to determine a reasonable estimate for these items. As a result, no estimate has been recorded and no policy decision has yet been made regarding whether to factor the impact of GILTI or BEAT into the company's measurement of its deferred taxes.

Based on its previous indefinite reinvestment assertion, the company has not historically provided deferred taxes on earnings in certain non-U.S. subsidiaries because such earnings were intended to be indefinitely reinvested in its international operations. Retained earnings in non-U.S. subsidiaries were \$2.8 billion as of December 31, 2017. While it is not practical to estimate the additional taxes, including foreign withholding taxes, that may become payable if these earnings were remitted to the U.S., as a result of the company's inclusion of a provisional transition tax estimate, U.S. tax has been accrued with respect to this amount.

With the introduction of a modified territorial tax system in the Act, the company is currently reviewing its previously stated intent to indefinitely reinvest the undistributed earnings of certain of its foreign subsidiaries. As the company does

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not believe a reasonable estimate of the impact of the Act on its indefinite reinvestment assertion can currently be determined, no provisional estimate has been recorded as allowed by applicable accounting standards. When either a reasonable estimate or the final determination becomes available, the impact will be recorded in the corresponding reporting period, no later than December 2018.

Ball's Serbian subsidiary was granted an income tax holiday that applies to only a portion of earnings and expired at the end of 2015. In addition, the Serbian subsidiary was granted tax relief equal to 80 percent of additional local investment over a ten-year period that will expire in 2022. The tax relief may be used to offset tax on earnings not covered by the initial tax holiday and has \$12 million remaining as of December 31, 2017. Ball's Polish subsidiary was granted a tax holiday in 2014 based on new capital investment. The holiday provides up to \$34 million of tax relief over a ten-year period of which \$33 million remained as of December 31, 2017. Several of Ball's Brazilian subsidiaries benefit from various tax holidays with expiration dates ranging from 2022 to 2025. These tax holidays reduced income tax by \$47 million, \$20 million and \$16 million, respectively, for 2017, 2016 and 2015.

Net income tax payments were \$107 million, \$68 million and \$58 million in 2017, 2016 and 2015, respectively.

The significant components of deferred tax assets and liabilities were:

(\$ in millions)	December 31,	
	2017	2016
Deferred tax assets:		
Deferred compensation	\$ 71	\$ 110
Accrued employee benefits	104	188
Deferred revenue	14	34
Accrued pensions	164	228
Inventory and other reserves	42	87
Net operating losses, foreign tax credits and other tax attributes	369	425
Unrealized losses on currency exchange and derivative transactions	5	59
Goodwill and other intangible assets	98	100
Other	30	64
Total deferred tax assets	897	1,295
Valuation allowance	(165)	(183)
Net deferred tax assets	732	1,112
Deferred tax liabilities:		
Property, plant and equipment	(334)	(428)
Goodwill and other intangible assets	(697)	(590)
Pension assets	(56)	—
Other	(15)	(90)
Total deferred tax liabilities	(1,102)	(1,108)
Net deferred tax asset (liability)	\$ (370)	\$ 4

The net deferred tax asset was included in the consolidated balance sheets as follows:

(\$ in millions)	December 31,	
	2017	2016
Other assets	\$ 325	\$ 443
Deferred taxes and other liabilities	(695)	(439)
Net deferred tax asset (liability)	\$ (370)	\$ 4

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Due to the remeasurement of U.S. deferred tax balances under the Act, as well as reductions in deferred tax assets related to pension assets, the net deferred tax position shifted from an asset to a liability as of December 31, 2017.

At December 31, 2017, Ball has recorded deferred tax assets related to federal and foreign net operating and capital loss carryforwards of approximately \$327 million, and state net operating loss carryforwards of \$42 million. These attributes are spread across the regions in which the company operates, including Europe, North and Central America, Asia and South America, and generally have expiration periods beginning in 2018 to indefinite, with the largest portion not expiring until 2029. Each has been assessed for realization as of December 31, 2017. As a result of tax law changes from the Act, Ball has utilized all U.S. foreign tax credit, research and development credit and alternative minimum tax credit carryforwards as of December 31, 2017.

In 2017, the company's overall valuation allowances decreased by a net \$18 million. Decreases to the valuation allowance were primarily due to the release of the company's \$46 million valuation allowance on its foreign tax credit carryforwards that will be realized against a portion of the transition tax incurred as a result of the Act and a net decrease of \$6 million related to the law change in the U.K., including valuation allowances established against nondeductible interest expense. These items all had an impact on Ball's effective rate and are included as components of U.S. tax reform, foreign tax law changes and foreign tax rate differences in the rate reconciliation. This net decrease was offset by increases for recording additional valuation allowances of \$19 million related to the 2016 acquisition of Rexam and for unusable 2017 losses of \$15 million incurred in various jurisdictions. The increase in unusable losses had a tax rate impact which is reflected in the valuation allowance line of the rate reconciliation.

A rollforward of the unrecognized tax benefits, included in other noncurrent liabilities, related to uncertain income tax positions at December 31 follows:

(\$ in millions)	2017	2016	2015
Balance at January 1	\$ 77	\$ 51	\$ 66
Additions related to acquisitions	—	55	—
Additions based on tax positions related to the current year	18	18	1
Additions for tax positions of prior years	1	6	2
Reductions related to Divestment Business	—	(30)	—
Reductions for tax positions from prior years	—	(5)	—
Reductions for settlements	(7)	—	(8)
Reductions due to lapse of statute of limitations	(12)	(16)	(6)
Effect of foreign currency exchange rates	7	(2)	(4)
Balance at December 31	\$ 84	\$ 77	\$ 51

The annual provisions for income taxes included a tax benefit related to uncertain tax positions, including interest and penalties, of \$3 million in 2017, a tax expense of \$3 million in 2016, and a tax benefit of \$4 million in 2015.

At December 31, 2017, the amounts of unrecognized tax benefits that, if recognized, would reduce tax expense were \$99 million. The company and its subsidiaries file various income tax returns in the U.S. federal, various state, local and foreign jurisdictions. The U.S. federal statute of limitations is closed for years prior to 2014. With a few exceptions, the company is no longer subject to examination by state and local tax authorities for years prior to 2010. The company's significant non-U.S. filings are in Germany, France, the U.K., Spain, the Netherlands, Poland, Serbia, Switzerland, Sweden, Russia, Turkey, Egypt, Saudi Arabia, the PRC, Canada, Brazil, the Czech Republic, Mexico, Chile and Argentina. The company's foreign statutes of limitation are generally open for years after 2011. At December 31, 2017, the company is either under examination or has been notified of a pending examination by tax authorities in the U.S., Germany, the U.K., the PRC, Saudi Arabia, India and various U.S. states.

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The company recognizes the accrual of interest and penalties related to unrecognized tax benefits in income tax expense. Ball recognized \$4 million of tax benefit, \$3 million of tax expense and \$2 million of tax benefit in 2017, 2016 and 2015, respectively, for potential interest on these items. At December 31, 2017, 2016 and 2015, the accrual for uncertain tax positions included potential interest expense of \$7 million, \$10 million and \$9 million, respectively. The company has accrued penalties of \$10 million in both 2017 and 2016, while no penalties were accrued in 2015.

15. Employee Benefit Obligations

(\$ in millions)	December 31,	
	2017	2016
Underfunded defined benefit pension liabilities	\$ 945	\$ 963
Less: Current portion	(27)	(25)
Long-term defined benefit pension liabilities	918	938
Long-term retiree medical liabilities	196	208
Deferred compensation plans	275	272
Other	74	79
	<u>\$ 1,463</u>	<u>\$ 1,497</u>

During 2016, Ball acquired 11 pension plans and two retiree medical plans as part of the Rexam acquisition and divested plans in certain foreign countries. The company's pension plans cover U.S., Canadian and various European employees meeting certain eligibility requirements. The defined benefit plans for salaried employees, as well as those for hourly employees in Sweden, Switzerland, the U.K. and Ireland provide pension benefits based on employee compensation and years of service. Plans for North American hourly employees provide benefits based on fixed rates for each year of service. While the German, Swedish and certain U.S. plans are not funded, the company maintains liabilities, and annual additions to such liabilities are generally tax deductible. With the exception of the unfunded German, Swedish and certain U.S. plans, our policy is to fund the defined benefit plans in amounts at least sufficient to satisfy statutory funding requirements, taking into consideration deductibility under existing tax laws and regulations.

The company also participates in three multi-employer defined benefit plans for which Ball is not the sponsor. The aggregated expense in 2017 for these plans of \$2 million, which approximated the total annual funding, is included in the summary of net periodic benefit cost set forth below. The risks of participating in multi-employer pension plans are different from single-employer plans. Assets contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. In the event that Ball withdraws from participation in one of these plans, applicable law could require the company to make additional lump-sum contributions to the plan. The company's withdrawal liability for any multi-employer defined benefit pension plan would depend on the extent of the plan's funding of vested benefits. Additionally, if a multi-employer defined benefit pension plan fails to satisfy certain minimum funding requirements, the IRS may impose a non deductible excise tax of 5 percent on the amount of the accumulated funding deficiency for those employers contributing to the plan.

Ball Corporation
Notes to the Consolidated Financial Statements**Defined Benefit Pension Plans**

Amounts recognized in the consolidated balance sheets for the funded status of our defined benefit pension plans consisted of:

(\$ in millions)	December 31,					
	2017			2016		
	U.S.	Foreign	Total	U.S.	Foreign	Total
Long-term pension asset	\$ —	\$ 504	\$ 504	\$ —	\$ 147	\$ 147
Defined benefit pension liabilities (a)	(641)	(304)	(945)	(679)	(284)	(963)
	<u>\$ (641)</u>	<u>\$ 200</u>	<u>\$ (441)</u>	<u>\$ (679)</u>	<u>\$ (137)</u>	<u>\$ (816)</u>

- (a) *Included is an unfunded, non-qualified U.S. plan obligation of \$34 million at December 31, 2017, that has been annuitized with a corresponding asset of \$34 million (\$3 million in other current assets and \$31 million in other assets). At December 31, 2016, the unfunded non-qualified U.S. plan obligation of \$33 million was annuitized with a corresponding asset of \$33 million recorded in other assets.*

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An analysis of the change in benefit accruals for 2017 and 2016 follows:

(\$ in millions)	December 31,					
	2017			2016		
	U.S.	Foreign	Total	U.S.	Foreign	Total
Change in projected benefit obligation:						
Benefit obligation at prior year end	\$ 3,186	\$ 3,437	\$ 6,623	\$ 1,362	\$ 647	\$ 2,009
Service cost	49	17	66	58	14	72
Interest cost	124	92	216	96	58	154
Benefits paid	(222)	(190)	(412)	(161)	(94)	(255)
Net actuarial (gains) losses	183	(242)	(59)	(47)	344	297
Curtailments and settlements including special termination benefits	(260)(b)	(5)	(265)	—	—	—
Business acquisition	—	—	—	1,888	3,196	5,084
Business divestiture	—	—	—	—	(440)	(440)
Other	1	2	3	(10)	2	(8)
Effect of exchange rates	—	321	321	—	(290)	(290)
Benefit obligation at year end	<u>3,061</u>	<u>3,432</u>	<u>6,493</u>	<u>3,186</u>	<u>3,437</u>	<u>6,623</u>
Change in plan assets:						
Fair value of assets at prior year end	2,507	3,300	5,807	988	316	1,304
Actual return on plan assets	224	180	404	(17)	163	146
Employer contributions (a)	174	9	183	111	185	296
Contributions to unfunded plans	6	20	26	4	18	22
Benefits paid	(222)	(190)	(412)	(161)	(94)	(255)
Curtailments and settlements including special termination benefits	(269)(b)	(2)	(271)	—	—	—
Business acquisition	—	—	—	1,592	3,296	4,888
Business divestiture	—	—	—	—	(303)	(303)
Other	—	2	2	(10)	2	(8)
Effect of exchange rates	—	313	313	—	(283)	(283)
Fair value of assets at end of year	<u>2,420</u>	<u>3,632</u>	<u>6,052</u>	<u>2,507</u>	<u>3,300</u>	<u>5,807</u>
Funded status	<u>\$ (641)</u>	<u>\$ 200</u>	<u>\$ (441)</u>	<u>\$ (679)</u>	<u>\$ (137)</u>	<u>\$ (816)</u>

(a) In 2016, Rexam agreed to establish and fund an escrow cash account in the amount of \$171 million on behalf of the acquired Rexam U.K. pension plan. This escrow amount was subsequently contributed to the U.K. pension plan in July 2016 and is reflected as employer contributions.

(b) Relates to the purchase of non-participating group annuity contracts discussed below.

The company's German, Swedish and certain U.S. plans are unfunded and the liabilities are included in the company's consolidated balance sheets. Benefits are paid directly by the company to the participants.

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Amounts recognized in accumulated other comprehensive (earnings) loss, including other postemployment benefits, consisted of:

(\$ in millions)	December 31,					
	2017			2016		
	U.S.	Foreign	Total	U.S.	Foreign	Total
Net actuarial (loss) gain	\$ (611)	\$ 36	\$ (575)	\$ (585)	\$ (272)	\$ (857)
Net prior service (cost) credit	(1)	—	(1)	(11)	—	(11)
Tax effect and currency exchange rates	224	(10)	214	232	46	278
	<u>\$ (388)</u>	<u>\$ 26</u>	<u>\$ (362)</u>	<u>\$ (364)</u>	<u>\$ (226)</u>	<u>\$ (590)</u>

The accumulated benefit obligation for all U.S. defined benefit pension plans was \$2,996 million and \$3,130 million at December 31, 2017 and 2016, respectively. The accumulated benefit obligation for all foreign defined benefit pension plans was \$3,429 million and \$3,433 million at December 31, 2017 and 2016, respectively. Following is the information for defined benefit plans with an accumulated benefit obligation in excess of plan assets:

(\$ in millions)	December 31,					
	2017			2016		
	U.S.	Foreign	Total	U.S.	Foreign	Total
Projected benefit obligation	\$ 3,061	\$ 389	\$ 3,450	\$ 3,186	\$ 326	\$ 3,512
Accumulated benefit obligation	2,996	385	3,381	3,130	322	3,452
Fair value of plan assets (a)	2,420	85	2,505	2,507	43	2,550

(a) *The German, Swedish and certain U.S. plans are unfunded and, therefore, there is no fair value of plan assets associated with these plans.*

Ball Corporation
Notes to the Consolidated Financial Statements

Components of net periodic benefit cost were:

(\$ in millions)	Years Ended December 31,								
	2017			2016			2015		
	U.S.	Foreign	Total	U.S.	Foreign	Total	U.S.	Foreign	Total
Ball-sponsored plans:									
Service cost	\$ 49	\$ 17	\$ 66	\$ 58	\$ 14	\$ 72	\$ 52	\$ 15	\$ 67
Interest cost	124	92	216	96	58	154	57	18	75
Expected return on plan assets	(126)	(110)	(236)	(106)	(70)	(176)	(79)	(20)	(99)
Amortization of prior service cost	2	—	2	(1)	—	(1)	(1)	—	(1)
Recognized net actuarial loss	34	5	39	32	6	38	39	9	48
Curtailment and settlement losses									
including special termination benefits	47 (a)	(1)	46	—	80	80	5	—	5
Net periodic benefit cost for Ball sponsored plans	130	3	133	79	88	167	73	22	95
Net periodic benefit cost for multi-employer plans	2	—	2	2	—	2	1	—	1
Total net periodic benefit cost	\$ 132	\$ 3	\$ 135	\$ 81	\$ 88	\$ 169	\$ 74	\$ 22	\$ 96

(a) In 2017, the company recorded a \$47 million loss of which \$44 million is related to the purchase of non-participating group annuity contracts, as well as lump sum settlements for certain U.S. plans; see below for further discussion. The company recorded an additional \$3 million for plant shut-down benefits in 2017. Included in 2016 is a curtailment charge of \$80 million related to the sale of the Divestment Business. The expense in both years is included in business consolidation and other activities.

In August 2017, Ball completed the purchase of non-participating group annuity contracts that transferred to an insurance company the company's pension benefit obligation for certain of its U.S. defined benefit pension plans. The \$224 million purchase of annuity contracts triggered settlement accounting. Regular lump sums paid in the normal course of plan operations are also included in the total settlement amount. Both of these payments resulted in the recognition of a \$44 million settlement loss which was recorded in business consolidation and other activities, recognizing amounts transferred from accumulated other comprehensive income. The pension obligation was also remeasured during the third quarter of 2017 for the U.S. plans impacted.

The estimated actuarial net loss and net prior service cost for the defined benefit pension plans that will be amortized from accumulated other comprehensive earnings (loss) into net periodic benefit cost during 2018 are a loss of \$43 million and a cost of \$2 million, respectively.

Contributions to the company's defined benefit pension plans, not including the unfunded German, Swedish and certain U.S. plans, are expected to be approximately \$41 million for the U.S. and \$5 million for the foreign plans in 2018. This estimate may change based on changes in the Pension Protection Act, actual plan asset performance and available company cash flow, among other factors. Benefit payments related to the U.S. plans are expected to be approximately \$216 million for the year ended December 31, 2018, \$206 million for each of the years ending December 31, 2019 through 2022, and a total of \$1.0 billion for the years ending December 31, 2023 through 2027. Benefit payments for the foreign plans, excluding the German and Swedish plans, are expected to be \$185 million, \$191 million, \$197 million, \$204 million and \$210 million for the years ending December 31, 2018 through 2022, respectively, and a total of \$1.2 billion for the years ending December 31, 2023 through 2027.

Ball Corporation
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Benefit payments to participants in the unfunded German, Swedish and certain U.S. plans are expected to be between \$18 million to \$21 million in each of the years ending December 31, 2018 through 2022 and a total of \$80 million for the years ending December 31, 2023 through 2027.

Weighted average assumptions used to determine benefit obligations for the company's significant North American plans at December 31 were:

	U.S.			Canada		
	2017 (a)	2016 (a)	2015	2017	2016	2015
Discount rate	3.72 %	4.26 %	4.60 %	2.80 %	3.50 %	3.50 %
Rate of compensation increase	4.15 %	4.14 %	4.80 %	N/A (b)	N/A (b)	3.00 %

(a) In 2017 and 2016, the weighted average assumptions for U.S. pension plans include pension plans assumed as part of the Rexam acquisition.

(b) The Canadian plans are frozen.

Weighted average assumptions used to determine benefit obligations for the company's significant European plans at December 31 were:

	U.K.			Germany		
	2017 (a)	2016 (a)	2015	2017 (a)	2016 (a)	2015
Discount rate	2.55 %	2.70 %	3.75 %	1.68 %	1.54 %	2.25 %
Rate of compensation increase	4.41 %	4.30 %	3.00 %	2.50 %	2.50 %	2.50 %
Pension increase	3.41 %	3.30 %	3.15 %	1.50 %	1.50 %	1.75 %

(a) In 2017 and 2016, the U.K. weighted average assumptions are for the acquired Rexam plan only, and the German assumptions include pension plans assumed as part of the Rexam acquisition and one legacy Ball plan.

Weighted average assumptions used to determine net periodic benefit cost for the company's significant North American plans for the years ended December 31 were:

	U.S.			Canada		
	2017 (a)	2016 (a)	2015	2017	2016	2015
Discount rate	4.27 %	4.60 %	4.15 %	3.50 %	3.50 %	3.50 %
Rate of compensation increase	4.14 %	4.98 %	4.80 %	N/A (b)	N/A (b)	3.00 %
Expected long-term rate of return on assets	5.50 %	6.88 %	7.25 %	4.00 %	4.00 %	4.00 %

(a) In 2017 and 2016, the weighted average assumptions for U.S. pension plans include pension plans assumed as part of the Rexam acquisition.

(b) The Canadian plans are frozen.

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Weighted average assumptions used to determine net periodic benefit cost for the company's significant European plans for the years ended December 31 were:

	U.K.			Germany		
	2017 (a)	2016 (a)	2015	2017 (a)	2016 (a)	2015
Discount rate	2.70 %	2.90 %	3.75 %	1.52 %	1.29 %	1.75 %
Rate of compensation increase	4.30 %	3.80 %	3.00 %	2.50 %	2.00 %	2.50 %
Pension increase	3.41 %	2.80 %	3.15 %	1.50 %	1.50 %	1.75 %
Expected long-term rate of return on assets	3.20 %	3.40 %	6.50 %	N/A	N/A	N/A

(a) In 2017 and 2016, the U.K. assumption is for the acquired Rexam plan only, and the German weighted average assumptions include pension plans assumed as part of the Rexam acquisition and one legacy Ball plan.

The discount and compensation increase rates used above to determine the December 31, 2017, benefit obligations will be used to determine net periodic benefit cost for 2018. A reduction of the expected return on pension assets assumption by one quarter of a percentage point would result in an approximate \$15 million increase in 2018 pension expense, while a quarter of a percentage point reduction in the discount rate applied to the pension liability would result in an estimated reduction of pension expense of approximately \$3 million in 2018.

Accounting for pensions and postretirement benefit plans requires that the benefit obligation be discounted to reflect the time value of money at the measurement date and the rates of return currently available on high-quality, fixed-income securities whose cash flows (via coupons and maturities) match the timing and amount of future benefit plan payments. Other factors used in measuring the obligation include compensation increases, health care cost increases, future rates of inflation, mortality and employee turnover.

Actual results may differ from the company's actuarial assumptions, which may have an impact on the amount of reported expense or liability for pensions or postretirement benefits. In 2017, the company recorded pension expense of \$133 million, including \$46 million of settlement charges, special termination and curtailment losses, and currently expects its 2018 pension expense to be \$65 million, using foreign currency exchange rates in effect at December 31, 2017. The decrease in expense is primarily due to a change in approach to measuring service and interest costs and a better plan experience in the U.K., offset by a reduction in return on assets on the U.S. pension plans.

For 2017, the company measured service and interest costs utilizing the expected or hypothetical payments for each plan. The expected or hypothetical payments were discounted using the spot rates from the actuarial yield curve for each plan to obtain a single equivalent discount rate that is appropriate for the duration of each plan. For 2018, the company will measure service and interest costs by applying the specific spot rates along that yield curve to the plans' liability cash flows. The company believes the new approach provides a more precise measurement of service and interest costs by aligning the timing of the plans' liability cash flows to the corresponding spot rates on the yield curve. This change in estimate does not affect the measurement of plan obligations nor the funded status of the plans.

The assumption related to the expected long-term rate of return on plan assets reflects the average rate of earnings expected on the funds invested to provide for pension benefits over the life of the plans. The assumption was based upon Ball's pension plan asset allocations, investment strategies and the views of its investment managers, consultants and other large pension plan sponsors. Some reliance was placed on the historical and expected asset returns of our plans. An asset-allocation optimization model was used to project future asset returns using simulation and asset class correlation. The analysis included expected future risk premiums, forward-looking return expectations derived from the yield on long-term bonds and the price earnings ratios of major stock market indexes, expected inflation levels and real risk-free interest rate assumptions and the fund's expected asset allocation.

The expected long-term rates of return on assets were calculated by applying the expected rate of return to a market-related value of plan assets at the beginning of the year, adjusted for the weighted average expected contributions and

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benefit payments. The market-related value of plan assets used to calculate the expected return was \$6,121 million for 2017, \$6,068 million for 2016 and \$1,395 million for 2015.

For pension plans, accumulated actuarial gains and losses in excess of a 10 percent corridor and the prior service cost are amortized over the average remaining service period of active participants or over the average life expectancy for plans with significant inactive participants.

Defined Benefit Pension Plan Assets

Policies and Allocation Information

Pension investment committees or scheme trustees of the company and its relevant subsidiaries establish investment policies and strategies for the company's pension plan assets. The investment policies and strategies include the following common themes to: (1) provide for long-term growth of principal without undue exposure to risk, (2) minimize contributions to the plans, (3) minimize and stabilize pension expense and (4) achieve a rate of return above the market average for each asset class over the long term. The pension investment committees are required to regularly, but no less frequently than annually, review asset mix and asset performance, as well as the performance of the investment managers. Based on their reviews, which are generally conducted quarterly, investment policies and strategies are revised as appropriate.

Target asset allocations are set using a minimum and maximum range for each asset category as a percent of the total funds' market value. Following are the target asset allocations established as of December 31, 2017:

	U.S.		Canada	Ireland	U.K.
	Legacy Ball	Legacy Rexam			
Cash and cash equivalents	0-10 %	0-10 %	— %	— %	50-80 %(c)
Equity securities	10-75 %(a)	10-25 %(d)	5 %	39-47 %	5-30 %
Fixed income securities	25-70 %(b)	75-90 %	95 %	42-52 %	50-80 %(c)
Alternative investments	0-35 %	— %	— %	9-11 %	0-20 %

(a) Equity securities may consist of: (1) up to 25 percent large cap equities, (2) up to 10 percent mid cap equities, (3) up to 10 percent small cap equities, (4) up to 35 percent foreign equities and (5) up to 35 percent special equities. Holdings in Ball Corporation common stock or Ball bonds cannot exceed 5 percent of the trust's assets.

(b) Debt securities may include up to 10 percent non-investment grade bonds, up to 10 percent bank loans and up to 15 percent international bonds.

(c) The combined target allocation for fixed income securities and cash and cash equivalents is 50 to 80 percent.

(d) Equity securities may consist of: (1) up to 20 percent domestic equities, (2) up to 10 percent international equities, and (3) up to 10 percent private equities.

The actual weighted average asset allocations for Ball's defined benefit pension plans, which individually were within the established targets for each country for that year, were as follows at December 31:

	2017	2016
Cash and cash equivalents	2 %	6 %
Equity securities	17 %	18 %
Fixed income securities	74 %	68 %
Alternative investments	7 %	8 %
	100 %	100 %

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Fair Value Measurements of Pension Plan Assets

Following is a description of the valuation methodologies used for pension assets measured at fair value:

Cash and cash equivalents: Consist of cash on deposit with brokers and short-term U.S. Treasury money market funds and are shown net of receivables and payables for securities traded at period end but not yet settled. All cash and cash equivalents are stated at cost, which approximates fair value.

Corporate equity securities: Valued at the closing price reported on the active market on which the individual security is traded.

U.S. government and agency securities: Valued using the pricing of similar agency issues, live trading feeds from several vendors and benchmark yields.

Corporate bonds and notes: Valued using market inputs including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers and reference data including market research publications. Inputs may be prioritized differently at certain times based on market conditions.

Commingled funds: The shares held are valued at their net asset value (NAV) at year end.

NAV practical expedient: Includes certain commingled fixed income and equity funds as well as limited partnership and other funds. Certain of the partnership investments receive fair market valuations on a quarterly basis. Certain other commingled funds and partnerships invest in market-traded securities, both on a long and short basis. These investments are valued using quoted market prices.

The preceding methods described may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, although the company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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The company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of pension assets and liabilities and their placement within the fair value hierarchy levels. The fair value hierarchy levels assigned to the company's defined benefit plan assets are summarized in the tables below:

(\$ in millions)	December 31, 2017		
	Level 1	Level 2	Total
U.S. pension assets, at fair value (includes U.S. Rexam assets):			
Cash and cash equivalents	\$ 1	\$ 124	\$ 125
Corporate equity securities:			
Consumer discretionary	54	—	54
Financials	47	—	47
Healthcare	45	—	45
Industrials	81	—	81
Information technology	97	—	97
Other	74	—	74
U.S. government and agency securities:			
FHLMC mortgage backed securities	—	35	35
FNMA mortgage backed securities	—	69	69
Municipal bonds	—	61	61
Treasury bonds	54	—	54
Other	—	15	15
Corporate bonds and notes:			
Communications	—	86	86
Consumer discretionary	—	83	83
Consumer staples	—	64	64
Financials	—	329	329
Healthcare	—	136	136
Industrials	—	137	137
Information technology	—	87	87
Oil and gas	—	122	122
Private placement	—	128	128
Utilities	—	128	128
Other	—	70	70
Commingled funds	22	80	102
Total level 1 and level 2	<u>\$ 475</u>	<u>\$ 1,754</u>	2,229
Other investments measured at net asset value (a)			191
Total assets			<u>\$ 2,420</u>

(a) *Certain investments measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified within the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the change in plan assets reconciliation.*

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(\$ in millions)	December 31, 2016		
	Level 1	Level 2	Total
U.S. pension assets, at fair value (includes U.S. Rexam assets):			
Cash and cash equivalents	\$ —	\$ 185	\$ 185
Corporate equity securities:			
Consumer discretionary	53	—	53
Financials	43	—	43
Healthcare	27	—	27
Industrials	47	—	47
Information technology	66	—	66
Other	39	—	39
U.S. government and agency securities:			
FHLMC mortgage backed securities	—	17	17
FNMA mortgage backed securities	—	64	64
Municipal bonds	—	49	49
Treasury bonds	85	—	85
Other	8	18	26
Corporate bonds and notes:			
Communications	—	58	58
Consumer discretionary	—	57	57
Consumer staples	—	64	64
Financials	—	280	280
Healthcare	—	98	98
Industrials	—	115	115
Information technology	—	84	84
Oil and gas	—	122	122
Private placement	—	76	76
Utilities	—	139	139
Other	—	71	71
Commingled funds			
International	17	—	17
Total level 1 and level 2	\$ 385	\$ 1,497	1,882
Other investments measured at net asset value (a)			625
Total assets			\$ 2,507

(a) *Certain investments measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented within this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the change in plan assets reconciliation.*

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(\$ in millions)	December 31,	
	2017	2016
U.K. pension assets, at fair value:		
Cash and cash equivalents	\$ 43	\$ 279
U.K. government bonds	2,184	1,538
Other	14	31
Total level 1	2,241	1,848
Other investments measured at net asset value (a)	1,306	1,374
Total assets	\$ 3,547	\$ 3,222

- (a) *Certain investments measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified within the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the change in plan assets reconciliation.*

Other Postemployment Benefits

The company sponsors postretirement health care and life insurance plans for certain U.S. and Canadian employees. Also, postretirement health care and life insurance plans were acquired as part of the Rexam acquisition. Employees may also qualify for long-term disability, medical and life insurance continuation and other postemployment benefits upon termination of active employment prior to retirement. All of the Ball-sponsored postretirement health care and life insurance plans are unfunded and, with the exception of life insurance benefits, are self-insured.

In Canada, the company provides supplemental medical and other benefits in conjunction with Canadian provincial health care plans. Effective July 1, 2017, Ball no longer offers medical and life insurance coverage in the U.S. for non-bargaining, Medicare eligible retirees through company-sponsored plans. Current and future non-bargaining retirees may access benefits through a private exchange by purchasing coverage direct from insurance carriers.

Ball provides a fixed subsidy to certain retirees which shall be used to purchase medical insurance. Ball has no commitments to increase benefits provided by any of the postemployment benefit plans and retains the right, subject to existing agreements, to change or eliminate these benefits.

For other postretirement benefits in the U.S & Canada the accumulated actuarial gains and losses and accumulated prior service gains and losses are amortized over the average remaining service period for active participants or average future lifetime for inactive employees depending upon the plan.

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An analysis of the change in other postretirement benefit accruals for 2017 and 2016 follows:

(\$ in millions)	2017	2016
Change in benefit obligation:		
Benefit obligation at prior year end	\$ 232	\$ 135
Service cost	1	3
Interest cost	9	8
Benefits paid	(22)	(16)
Net actuarial (gain) loss	6	(18)
Business acquisition	—	120
Special termination benefits	2	—
Plan amendments	(9)	—
Effect of exchange rates and other	1	—
Benefit obligation at year end	\$ 220	\$ 232
Less current portion	(24)	(24)
Long-term retiree medical liabilities	\$ 196	\$ 208

Components of net periodic benefit cost were:

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Service cost	\$ 1	\$ 3	\$ 2
Interest cost	9	8	6
Amortization of prior service cost	(1)	(1)	(1)
Recognized net actuarial loss (gain)	(5)	(3)	(2)
Special termination benefits	2	—	2
Net periodic benefit cost	\$ 6	\$ 7	\$ 7

Approximately \$6 million of estimated net actuarial gain and \$1 million of prior service benefit will be amortized from accumulated other comprehensive earnings (loss) into net periodic benefit cost during 2018.

The assumptions for the U.S. and Canadian plans were based upon a long-term forecast of medical and direct trends and claims data projected forward using generally accepted actuarial methods. For other postretirement benefits, accumulated actuarial gains and losses and prior service cost are amortized over the average remaining service period of active participants.

Weighted average assumptions used to determine benefit obligations for the other postretirement benefit plans at December 31 were:

	U.S.			Canada		
	2017	2016 (a)	2015	2017	2016	2015
Discount rate	3.64 %	4.16 %	4.60 %	3.25 %	3.50 %	3.50 %
Rate of compensation increase (b)	4.50 %	4.50 %	N/A	N/A	N/A	N/A

(a) In 2017 and 2016, the weighted average assumptions for U.S. other postretirement benefit plans include plans assumed as part of the Rexam acquisition.

(b) In 2017 and 2016, the rate of compensation increase is not applicable for certain U.S. other postretirement benefit plans.

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Weighted average assumptions used to determine net periodic benefit cost for the other postretirement benefit plans at December 31 were:

	U.S.			Canada		
	2017	2016 (a)	2015	2017	2016	2015
Discount rate	4.16 %	4.04 %	4.15 %	3.50 %	3.50 %	3.50 %
Rate of compensation increase (b)	4.50 %	4.50 %	N/A	N/A	N/A	N/A

(a) In 2017 and 2016, the weighted average assumptions for U.S. other postretirement benefit plans include plans assumed as part of the Rexam acquisition.

(b) In 2017 and 2016, the rate of compensation increase is not applicable for certain U.S. other postretirement benefit plans.

For the U.S. health care plans at December 31, 2017, a 7 percent health care cost trend rate was used for pre-65 and post-65 benefits, and trend rates were assumed to increase to 5 percent in 2022 and remain at that level thereafter. For the Canadian plans, a 5 percent health care cost trend rate was used for 2018 and in subsequent years. Benefit payment caps exist in many of the company's health care plans.

Contributions to the company's other postretirement plans are expected to be approximately \$19 million in 2018. This estimate may change based on available company cash flow, among other factors. Benefit payments related to these plans are expected to be between \$17 million and \$20 million in each of the years ending December 31, 2018 through 2022, and a total of \$72 million for the years 2023 through 2027.

Health care cost trend rates can have an effect on the amounts reported for the health care plan. A one-percentage point increase in assumed health care cost trend rates would increase the total of service and interest cost by less than \$1 million and the postretirement benefit obligation by \$6 million. A one-percentage point decrease would decrease the total of service and interest cost by less than \$1 million and the postretirement benefit obligation by \$6 million.

Deferred Compensation Plans

Certain management employees may elect to defer the payment of all or a portion of their annual incentive compensation into the company's deferred compensation plan and/or the company's deferred compensation stock plan. The employee becomes a general unsecured creditor of the company with respect to any amounts deferred.

16. Shareholders' Equity

At December 31, 2017, the company had 1.1 billion shares of common stock and 15 million shares of preferred stock authorized, both without par value. Preferred stock includes 550,000 authorized but unissued shares designated as Series A Junior Participating Preferred Stock.

In April 2017, the company's Board of Directors declared a two-for-one split of Ball Corporation's common stock and increased the quarterly cash dividend by 54 percent to 10 cents on a post-split basis. The stock split was effective as of May 16, 2017.

In 2017, in a privately negotiated transaction, Ball entered into an accelerated share repurchase agreement to buy \$100 million of its common shares using cash on hand and available borrowings, and the company received 2.5 million shares.

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Accumulated Other Comprehensive Earnings (Loss)

The activity related to accumulated other comprehensive earnings (loss) was as follows:

(\$ in millions)	Foreign Currency Translation (Net of Tax)	Pension and Other Postretirement Benefits (Net of Tax)	Effective Derivatives (Net of Tax)	Accumulated Other Comprehensive Earnings (Loss)
Balance at December 31, 2015	\$ (183)	\$ (445)	\$ (12)	\$ (640)
Other comprehensive earnings (loss) before reclassifications	(146)	(227) (a)	46	(327)
Amounts reclassified from accumulated other comprehensive earnings (loss)	—	82 (b)	(56)	26
Balance at December 31, 2016	\$ (329)	\$ (590)	\$ (22)	\$ (941)
Other comprehensive earnings (loss) before reclassifications	22	179	(30)	171
Amounts reclassified from accumulated other comprehensive earnings (loss)	—	49 (c)	65	114
Balance at December 31, 2017	<u>\$ (307)</u>	<u>\$ (362)</u>	<u>\$ 13</u>	<u>\$ (656)</u>

- (a) Includes \$195 million of after-tax net actuarial loss at December 31, 2016, for the remeasurement of acquired plans and \$38 million of after-tax actuarial loss at June 30, 2016, for the remeasurement of divested plans.
- (b) Includes \$60 million, net of tax, from plans sold with the Divestment Business.
- (c) Includes \$28 million of after tax losses recognized during 2017 related to the annuity buyout and lump sum settlements. Refer to Note 15 for further details.

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The following table provides additional details of the amounts recognized into net earnings from accumulated other comprehensive earnings (loss):

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Gains (losses) on cash flow hedges:			
Commodity contracts recorded in net sales	\$ (7)	\$ (1)	\$ 5
Commodity contracts recorded in cost of sales	50	(7)	(23)
Currency exchange contracts recorded in selling, general and administrative	(1)	4	2
Currency exchange contracts recorded in business consolidation and other activities	—	64	—
Cross-currency swaps recorded in selling, general and administrative	(136)	—	—
Cross-currency swaps recorded in interest expense	16	—	—
Interest rate contracts recorded in interest expense	—	(1)	—
Commodity and currency exchange contracts attributable to the Divestment Business recorded in business consolidation and other activities	—	(5)	—
Total before tax effect	(78)	54	(16)
Tax benefit (expense) on amounts reclassified into earnings	13	2	6
Recognized gain (loss)	\$ (65)	\$ 56	\$ (10)
Amortization of pension and other postretirement benefits: (a)			
Prior service income (expense)	\$ (1)	\$ 2	\$ 1
Actuarial gains (losses)	(34)	(35)	(48)
Effect of pension settlement (b)	(44)	(80)	—
Total before tax effect	(79)	(113)	(47)
Tax benefit (expense) on amounts reclassified into earnings	30	31	17
Recognized gain (loss)	\$ (49)	\$ (82)	\$ (30)

(a) These components are included in the computation of net periodic benefit cost included in Note 15.

(b) 2017 includes a pretax settlement loss related to the purchase of non-participating group annuity contracts and lump sum payouts. 2016 includes a curtailment charge related to the sale of the Divestment Business. Refer to Note 15 for further details.

Noncontrolling Interest

In 2015, Ball acquired the remaining interests in its Latapack-Ball joint venture in Brazil for consideration of approximately 11.4 million treasury shares of Ball common stock, on a post-split basis, valued at \$403 million, and \$17 million in cash. The accounting guidance requires changes in noncontrolling interests that do not result in a change of control to be recorded as an equity transaction. Where there is a difference between the fair value of consideration paid and the carrying value of the noncontrolling interest, it is recorded to common stock. The difference of \$220 million between the noncontrolling interest carrying value of \$200 million at the time of acquisition and the fair value of the consideration paid of \$420 million was recorded as a decrease to common stock. The acquisition of the joint venture company was completed in December 2015, and Latapack-Ball is a wholly owned subsidiary of Ball Corporation.

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17. Stock-Based Compensation Programs

The company has shareholder-approved stock plans under which options and stock-settled appreciation rights (SSARs) have been granted to employees at the market value of the company's stock on the date of grant. In the case of stock options, payment must be made by the employee at the time of exercise in cash or with shares of stock owned by the employee, which are valued at fair market value on the date exercised. For SSARs, the employee receives the share equivalent of the difference between the fair market value on the date exercised and the exercise price of the SSARs exercised. In general, options and SSARs are exercisable in four equal installments commencing one year from the date of grant and terminating 10 years from the date of grant. A summary of outstanding stock option and SSAR activity for the year ended December 31, 2017, follows:

	Number of Shares	Weighted Average Exercise Price
Beginning of year (a)	17,346,382	\$ 21.29
Granted	2,383,208	37.95
Exercised	(2,564,761)	16.13
Canceled/forfeited	(257,530)	33.88
End of period	<u>16,907,299</u>	24.21
Vested and exercisable, end of period	<u>11,414,125</u>	\$ 19.24
Reserved for future grants	<u>25,404,206</u>	

(a) Amounts have been retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017.

The weighted average remaining contractual term for all options and SSARs outstanding at December 31, 2017, was 5.2 years and the aggregate intrinsic value (difference in exercise price and closing price at that date) was \$231 million. The weighted average remaining contractual term for options and SSARs vested and exercisable at December 31, 2017, was 3.8 years and the aggregate intrinsic value was \$212 million. The company received \$21 million, \$36 million and \$22 million from options exercised during 2017, 2016 and 2015, respectively, and the intrinsic value associated with these exercises was \$26 million, \$45 million and \$33 million for the same periods, respectively. The tax benefit associated with the company's stock compensation programs was \$20 million for 2017, and was reported as a discrete item in the consolidated tax provision. The total fair value of options and SSARs vested during 2017, 2016 and 2015 was \$14 million, \$13 million and \$12 million, respectively.

These options and SSARs cannot be traded in any equity market. However, based on the Black-Scholes option pricing model, options and SSARs granted in April 2017, January 2017, July 2016, January 2016 and February 2015 have estimated weighted average fair values at the date of grant of \$7.21 per share, \$8.54 per share, \$8.35 per share, \$9.29 per share and \$7.10 per share, respectively. The actual value an employee may realize will depend on the excess of the stock price over the exercise price on the date the option or SSAR is exercised. Consequently, there is no assurance that the value realized by an employee will equal the fair value estimated at the grant date. The fair values were estimated using the following weighted average assumptions:

	<u>2017 Grants</u>	<u>2016 Grants</u>	<u>2015 Grants</u>
Expected dividend yield	0.89 %	0.73 %	0.79 %
Expected stock price volatility	19.62 %	24.14 %	22.11 %
Risk-free interest rate	2.00 %	1.22 %	1.39 %
Expected life of options (in years)	5.94 years	6.10 years	5.85 years

In addition to stock options and SSARs, the company issues to certain employees restricted shares and restricted stock units, which vest over various periods. Other than the performance-contingent grants discussed below, such restricted

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shares and restricted stock units generally vest in equal installments over five years. Compensation cost is recorded based upon the fair value of the shares at the grant date.

Following is a summary of restricted stock activity for the year ended December 31, 2017:

	<u>Number of Shares/Units</u>	<u>Weighted Average Grant Price</u>
Beginning of year (a)	2,036,122	\$ 27.81
Granted	1,958,320	36.10
Vested	(597,222)	25.27
Canceled/forfeited	(173,126)	36.95
End of period	<u>3,224,094</u>	<u>\$ 32.82</u>

(a) Amounts have been retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017.

The company's Board of Directors granted 237,452, 265,636 and 233,118 performance-contingent restricted stock units (PCEQs) to key employees in 2017, 2016 and 2015, respectively. These PCEQs vest three years from the date of grant, and the number of shares available at the vesting date are based on the company's increase in economic value added (EVA®) dollars compared to the EVA® dollars generated in the calendar year prior to the grant and ranging from zero to 200 percent of each participant's assigned award opportunity. If the minimum performance goals are not met, the shares will be forfeited. Grants under the plan are being accounted for as equity awards and compensation expense is recorded based upon the most probable outcome using the closing market price of the shares at the grant date. On a quarterly basis, the company reassesses the probability of the goals being met and adjusts compensation expense as appropriate. The expense associated with the performance-contingent grants, recognized in selling, general and administrative expenses, totaled \$9 million in 2017, \$15 million in 2016, and \$7 million in 2015.

Also during 2017, the company's Board of Directors granted 1.1 million performance-contingent restricted stock units (on a post-stock split basis) to employees related to the Special Acquisition-Related Incentive Plan (SAIP). The number of shares issued at the vesting date in January 2020 will be based on the company's achievement of cumulative EVA® and Cash Flow performance goals through the vesting date and can range from zero to 200 percent of each participant's assigned award. If the minimum performance goals are not met, the awards will be forfeited. Grants under the plan are being accounted for as equity awards and compensation expense is recorded based upon the most probable outcome using the closing market price of the shares at the grant date. On a quarterly basis, the company reassesses the probability of the goals being met and adjusts compensation expense as appropriate. The company recorded expense, recognized in business consolidation and other activities, of \$11 million during 2017 in connection with the SAIP.

For the years ended December 31, 2017, 2016 and 2015, the company recognized pretax expense of \$46 million (\$35 million after tax), \$35 million (\$22 million after tax) and \$25 million (\$15 million after tax), respectively, for share-based compensation arrangements. At December 31, 2017, there was \$89 million of total unrecognized compensation cost related to nonvested share-based compensation arrangements. This cost is expected to be recognized in earnings over a weighted average period of 2.3 years.

Ball Corporation
Notes to the Consolidated Financial Statements**18. Earnings Per Share**

(\$ in millions, except per share amounts; shares in thousands)	Years Ended December 31,		
	2017	2016	2015
Net earnings attributable to Ball Corporation	\$ 374	\$ 263	\$ 281
Basic weighted average common shares (a)	350,269	316,542	274,600
Effect of dilutive securities (a)	6,716	6,342	7,368
Weighted average shares applicable to diluted earnings per share (a)	356,985	322,884	281,968
Per basic share (a)	\$ 1.07	\$ 0.83	\$ 1.02
Per diluted share (a)	\$ 1.05	\$ 0.81	\$ 1.00

(a) Amounts have been retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017.

Certain outstanding options and SSARs were excluded from the diluted earnings per share calculation because they were anti-dilutive (i.e., the sum of the proceeds, including the unrecognized compensation and windfall tax benefits, exceeded the average closing stock price for the period). The options and SSARs excluded totaled approximately 2 million in each of 2017, 2016 and 2015.

19. Financial Instruments and Risk Management**Policies and Procedures**

The company employs established risk management policies and procedures, which seek to reduce the company's commercial risk exposure to fluctuations in commodity prices, interest rates, currency exchange rates and prices of the company's common stock with regard to common share repurchases and the company's deferred compensation stock plan. However, there can be no assurance that these policies and procedures will be successful. Although the instruments utilized involve varying degrees of credit, market and interest risk, the counterparties to the agreements are expected to perform fully under the terms of the agreements. The company monitors counterparty credit risk, including lenders, on a regular basis, but Ball cannot be certain that all risks will be discerned or that its risk management policies and procedures will always be effective. Additionally, in the event of default under the company's master derivative agreements, the non-defaulting party has the option to set-off any amounts owed with regard to open derivative positions.

Commodity Price Risk*Aluminum*

The company manages commodity price risk in connection with market price fluctuations of aluminum ingot through two different methods. First, the company enters into container sales contracts that include aluminum ingot-based pricing terms that generally reflect the same price fluctuations under commercial purchase contracts for aluminum sheet. The terms include fixed, floating or pass-through aluminum ingot component pricing. Second, the company uses certain derivative instruments such as option and forward contracts as economic and cash flow hedges of commodity price risk where there are material differences between sales and purchase contracted pricing and volume.

At December 31, 2017, the company had aluminum contracts limiting its aluminum exposure with notional amounts of approximately \$581 million, of which approximately \$506 million received hedge accounting treatment. The aluminum contracts, which are recorded at fair value, include economic derivative instruments that are undesignated, as well as cash flow hedges that offset sales and purchase contracts of various terms and lengths. Cash flow hedges relate to

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forecasted transactions that expire within the next two years. Included in shareholders' equity at December 31, 2017, within accumulated other comprehensive earnings is a net after-tax gain of \$36 million associated with these contracts. A net gain of \$32 million is expected to be recognized in the consolidated statement of earnings during the next 12 months, the majority of which will be offset by pricing changes in sales and purchase contracts, thus resulting in little or no earnings impact to Ball.

Steel

Most sales contracts involving our steel products either include provisions permitting the company to pass through some or all steel cost changes incurred, or they incorporate annually negotiated steel prices.

Interest Rate Risk

The company's objective in managing exposure to interest rate changes is to minimize the impact of interest rate changes on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, the company may use a variety of interest rate swaps, collars and options to manage our mix of floating and fixed-rate debt. At December 31, 2017, the company had outstanding interest rate swap and option contracts with notional amounts of approximately \$1.7 billion paying fixed rates expiring within the next two years. The amount recorded in accumulated other comprehensive earnings at December 31, 2017, is insignificant.

Currency Exchange Rate Risk

The company's objective in managing exposure to currency fluctuations is to limit the exposure of cash flows and earnings from changes associated with currency exchange rate changes through the use of various derivative contracts. In addition, at times the company manages earnings translation volatility through the use of currency option strategies, and the change in the fair value of those options is recorded in the company's net earnings. The company's currency translation risk results from the currencies in which we transact business. The company faces currency exposures in its global operations as a result of various factors including intercompany currency denominated loans, selling our products in various currencies, purchasing raw materials and equipment in various currencies and tax exposures not denominated in the functional currency. Sales contracts are negotiated with customers to reflect cost changes and, where there is not an exchange pass-through arrangement, the company uses forward and option contracts to manage currency exposures. At December 31, 2017, the company had outstanding exchange forward contracts and option contracts with notional amounts totaling approximately \$2.3 billion. Approximately \$4 million of net after-tax gain related to these contracts is included in accumulated other comprehensive earnings at December 31, 2017, substantially all of which is expected to be recognized in the consolidated statement of earnings during the next 12 months. The contracts outstanding at December 31, 2017, expire within the next year.

Additionally, the company entered into a \$1 billion cross-currency swap contract to partially mitigate the risk on foreign currency denominated intercompany debt in the second quarter of 2016. Approximately \$27 million of net after-tax loss related to the intercompany debt is included in accumulated other comprehensive earnings at December 31, 2017, none of which is expected to be recognized in the consolidated statement of earnings during the next 12 months. As of December 31, 2017, the fair value of the cross-currency swap was a \$117 million loss. The contract expires within the next three years.

Common Stock Price Risk

The company's deferred compensation stock program is subject to variable plan accounting and, accordingly, is marked to fair value using the company's closing stock price at the end of the related reporting period. The company entered into total return swaps to reduce the company's earnings exposure to these fair value fluctuations that will be outstanding through March 2019 and that have a combined notional value of 2.7 million shares. Based on the current number of

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shares in the program, each \$1 change in the company's stock price has an insignificant impact on pretax earnings, net of the impact of related derivatives. As of December 31, 2017, the fair value of the swaps was a \$5 million loss.

Collateral Calls

The company's agreements with its financial counterparties require the company to post collateral in certain circumstances when the negative mark to fair value of the contracts exceeds specified levels. Additionally, the company has collateral posting arrangements with certain customers on these derivative contracts. The cash flows of the margin calls are shown within the investing section of the company's consolidated statements of cash flows. As of December 31, 2017 and 2016, the aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a net liability position was \$27 million and \$44 million, respectively, and no collateral was required to be posted.

Fair Value Measurements

Ball has classified all applicable financial derivative assets and liabilities as Level 2 within the fair value hierarchy as of December 31, 2017 and 2016, and presented those values in the table below. The company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

(\$ in millions)	December 31, 2017			December 31, 2016		
	Derivatives Designated as Hedging Instruments	Derivatives not Designated as Hedging Instruments	Total	Derivatives Designated as Hedging Instruments	Derivatives not Designated as Hedging Instruments	Total
Assets:						
Commodity contracts	\$ 46	\$ 3	\$ 49	\$ 17	\$ 1	\$ 18
Foreign currency contracts	5	10	15	1	—	1
Interest rate and other contracts	—	—	—	—	21	21
Total current derivative contracts	\$ 51	\$ 13	\$ 64	\$ 18	\$ 22	\$ 40
Commodity contracts	\$ 6	\$ —	\$ 6	\$ 7	\$ —	\$ 7
Interest rate and other contracts	—	—	—	39	—	39
Total noncurrent derivative contracts	\$ 6	\$ —	\$ 6	\$ 46	\$ —	\$ 46
Liabilities:						
Commodity contracts	\$ 4	\$ 4	\$ 8	\$ 3	\$ —	\$ 3
Foreign currency contracts	—	21	21	—	22	22
Interest rate and other contracts	—	2	2	—	—	—
Total current derivative contracts	\$ 4	\$ 27	\$ 31	\$ 3	\$ 22	\$ 25
Interest rate and other contracts	\$ 117	\$ 3	\$ 120	\$ —	\$ —	\$ —
Total noncurrent derivative contracts	\$ 117	\$ 3	\$ 120	\$ —	\$ —	\$ —

The company uses closing spot and forward market prices as published by the London Metal Exchange, the Chicago Mercantile Exchange, Reuters and Bloomberg to determine the fair value of any outstanding aluminum, currency, energy, inflation and interest rate spot and forward contracts. Option contracts are valued using a Black-Scholes model with observable market inputs for aluminum, currency and interest rates. We value each of our financial instruments either internally using a single valuation technique or from a reliable observable market source. The company does not adjust the value of its financial instruments except in determining the fair value of a trade that settles in the future by

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discounting the value to its present value using 12-month LIBOR as the discount factor. Ball performs validations of our internally derived fair values reported for our financial instruments on a quarterly basis utilizing counterparty valuation statements. The company additionally evaluates counterparty creditworthiness and, as of December 31, 2017, has not identified any circumstances requiring that the reported values of our financial instruments be adjusted.

The following tables provide the effects of derivative instruments in the consolidated statement of earnings and on accumulated other comprehensive earnings (loss):

(\$ in millions)	Location of Gain (Loss) Recognized in Earnings on Derivatives	Year Ended December 31, 2017	
		Cash Flow Hedge - Reclassified Amount from Accumulated Other Comprehensive Earnings (Loss)	Gain (Loss) on Derivatives not Designated as Hedge Instruments
Commodity contracts - <i>manage exposure to customer pricing</i>	Net sales	\$ (7)	\$ (4)
Commodity contracts - <i>manage exposure to supplier pricing</i>	Cost of sales	50	(5)
Foreign currency contracts - <i>manage general exposure with the business</i>	Selling, general and administrative	(1)	(57)
Cross-currency swaps - <i>manage intercompany currency exposure within the business</i>	Selling, general and administrative	(136)	—
Cross-currency swaps - <i>manage intercompany currency exposure within the business</i>	Interest expense	16	—
Equity contracts	Selling, general and administrative	—	(1)
Total		\$ (78)	\$ (67)

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(\$ in millions)	Location of Gain (Loss) Recognized in Earnings on Derivatives	Year Ended December 31, 2016	
		Cash Flow Hedge - Reclassified Amount from Accumulated Other Comprehensive Earnings (Loss)	Gain (Loss) on Derivatives not Designated as Hedge Instruments
Commodity contracts - <i>manage exposure to customer pricing</i>	Net sales	\$ (1)	\$ —
Commodity contracts - <i>manage exposure to supplier pricing</i>	Cost of sales	(7)	(4)
Interest rate contracts - <i>manage exposure for outstanding debt</i>	Interest expense	(1)	—
Interest rate contracts - <i>manage exposure for forecasted Rexam financing</i>	Debt refinancing and other costs	—	(20)
Foreign currency contracts - <i>manage exposure to sales of products</i>	Cost of sales	1	1
Foreign currency contracts - <i>manage general exposure with the business</i>	Selling, general and administrative	3	53
Foreign currency contracts - <i>manage exposure for acquisition of Rexam</i>	Business consolidation and other activities	—	(191)
Cross-currency swaps - <i>manage exposure for acquisition of Rexam</i>	Business consolidation and other activities	—	(4)
Cross-currency swaps - <i>manage intercompany currency exposure within the business</i>	Selling, general and administrative	64	—
Commodity contracts and currency exchange contracts - <i>attributed to the Divestment Business</i>	Business consolidation and other activities	(5)	—
Equity contracts	Selling, general and administrative	—	(1)
Total		\$ 54	\$ (166)

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(\$ in millions)	Location of Gain (Loss) Recognized in Earnings on Derivatives	Year Ended December 31, 2015	
		Cash Flow Hedge - Reclassified Amount from Accumulated Other Comprehensive Earnings (Loss)	Gain (Loss) on Derivatives not Designated as Hedge Instruments
Commodity contracts - <i>manage exposure to customer pricing</i>	Net sales	\$ 5	\$ 1
Commodity contracts - <i>manage exposure to supplier pricing</i>	Cost of sales	(23)	(5)
Interest rate contracts - <i>manage exposure for forecasted Rexam financing</i>	Debt refinancing and other costs	—	(16)
Foreign currency contracts - <i>manage exposure to sales of products</i>	Cost of sales	—	2
Foreign currency contracts - <i>manage general exposure with the business</i>	Selling, general and administrative	2	(7)
Foreign currency contracts - <i>manage exposure for acquisition of Rexam</i>	Business consolidation and other activities	—	(41)
Cross-currency swaps - <i>manage exposure for acquisition of Rexam</i>	Business consolidation and other activities	—	(7)
Equity contracts	Selling, general and administrative	—	4
Total		\$ (16)	\$ (69)

The changes in accumulated other comprehensive earnings (loss) for effective derivatives were as follows:

(\$ in millions)	Years Ended December 31,		
	2017	2016	2015
Amounts reclassified into earnings:			
Commodity contracts	\$ (43)	\$ 8	\$ 18
Cross-currency swap contracts	120	(64)	—
Interest rate contracts	—	1	—
Commodity and currency exchange contracts attributed to the divestment business	—	5	—
Currency exchange contracts	1	(4)	(2)
Change in fair value of cash flow hedges:			
Commodity contracts	67	22	(29)
Interest rate contracts	—	(1)	—
Cross-currency swap contracts	(137)	39	—
Currency exchange contracts	7	3	4
Foreign currency and tax impacts	20	(19)	1
	\$ 35	\$ (10)	\$ (8)

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20. Quarterly Results of Operations (Unaudited)

Set forth below are the company's 2017 and 2016 results for the quarters ended March 31, June 30, September 30 and December 31.

(\$ in millions, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2017					
Net sales	\$ 2,473	\$ 2,855	\$ 2,908	\$ 2,747	\$ 10,983
Gross profit (a)	390	431	455	481	1,757
Earnings before taxes	\$ 84	\$ 112	\$ 50	\$ 268	\$ 514
Net earnings (loss) attributable to Ball Corporation	\$ 68	\$ 99	\$ 48	\$ 159	\$ 374
Basic earnings (loss) per share (b) (c)	\$ 0.19	\$ 0.28	\$ 0.14	\$ 0.45	\$ 1.07
Diluted earnings (loss) per share (b) (c)	\$ 0.19	\$ 0.28	\$ 0.13	\$ 0.45	\$ 1.05
2016					
Net sales	\$ 1,756	\$ 2,030	\$ 2,752	\$ 2,523	\$ 9,061
Gross profit (a)	275	367	372	406	1,420
Earnings before taxes	\$ (209)	\$ 192	\$ 50	\$ 92	\$ 125
Net earnings attributable to Ball Corporation	\$ (127)	\$ 307	\$ 31	\$ 52	\$ 263
Basic earnings per share (b) (c)	\$ (0.45)	\$ 1.08	\$ 0.09	\$ 0.15	\$ 0.83
Diluted earnings per share (b) (c)	\$ (0.45)	\$ 1.06	\$ 0.09	\$ 0.15	\$ 0.81

(a) Gross profit is shown after depreciation and amortization related to cost of sales of \$510 million and \$345 million for the years ended December 31, 2017 and 2016, respectively.

(b) Earnings per share calculations for each quarter are based on the weighted average shares outstanding for that period. As a result, the sum of the quarterly amounts may not equal the annual earnings per share amount.

(c) Amounts in 2016 have been retrospectively adjusted for the two-for-one stock split that was effective on May 16, 2017.

The unaudited quarterly results of operations included business consolidation and other activities that affected the company's operating performance. Further details are included in Note 5.

21. Contingencies

Ball is subject to numerous lawsuits, claims or proceedings arising out of the ordinary course of business, including actions related to product liability; personal injury; the use and performance of company products; warranty matters; patent, trademark or other intellectual property infringement; contractual liability; the conduct of the company's business; tax reporting in domestic and foreign jurisdictions; workplace safety and environmental and other matters. The company has also been identified as a potentially responsible party (PRP) at several waste disposal sites under U.S. federal and related state environmental statutes and regulations and may have joint and several liability for any investigation and remediation costs incurred with respect to such sites. In addition, we have received claims alleging that employees in certain plants have suffered damages due to exposure to alleged workplace hazards. Some of these lawsuits, claims and proceedings involve substantial amounts, including as described below, and some of the

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environmental proceedings involve potential monetary costs or sanctions that may be material. Ball has denied liability with respect to many of these lawsuits, claims and proceedings and is vigorously defending such lawsuits, claims and proceedings. The company carries various forms of commercial, property and casualty, and other forms of insurance; however, such insurance may not be applicable or adequate to cover the costs associated with a judgment against Ball with respect to these lawsuits, claims and proceedings. The company estimates that potential liabilities for all currently known and estimable environmental matters are approximately \$37 million in the aggregate and have been included in other current liabilities and other noncurrent liabilities at December 31, 2017.

As previously reported, the U.S. Environmental Protection Agency (USEPA) considers the company a PRP with respect to the Lowry Landfill site located east of Denver, Colorado. In 1992, the company was served with a lawsuit filed by the City and County of Denver (Denver) and Waste Management of Colorado, Inc., seeking contributions from the company and approximately 38 other companies. The company filed its answer denying the allegations of the complaint. Subsequently in 1992, the company was served with a third-party complaint filed by S.W. Shattuck Chemical Company, Inc., seeking contribution from the company and other companies for the costs associated with cleaning up the Lowry Landfill. The company denied the allegations of the complaint.

Also in 1992, Ball entered into a settlement and indemnification agreement with Chemical Waste Management, Inc., and Waste Management of Colorado, Inc. (collectively Waste Management) and Denver pursuant to which Waste Management and Denver dismissed their lawsuit against the company, and Waste Management agreed to defend, indemnify and hold harmless the company from claims and lawsuits brought by governmental agencies and other parties relating to actions seeking contributions or remedial costs from the company for the clean-up of the site. Waste Management, Inc., has agreed to guarantee the obligations of Waste Management. Waste Management and Denver may seek additional payments from the company if the response costs related to the site exceed \$319 million. In 2003 Waste Management, Inc., indicated that the cost of the site might exceed \$319 million in 2030, approximately three years before the projected completion of the project. In February 2018, Waste Management reported that total project costs through 2016 were approximately \$142 million. The company might also be responsible for payments (based on 1992 dollars) for any additional wastes that may have been disposed of by the company at the site but which are identified after the execution of the settlement agreement. While remediating the site, contaminants were encountered, which could add an additional clean-up cost of approximately \$10 million. This additional clean-up cost could, in turn, add approximately \$1 million to total site costs for the PRP group. At this time, there are no Lowry Landfill actions in which the company is actively involved. Based on the information available to the company at this time, we do not believe that this matter will have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

In November 2012, the USEPA wrote to the company asserting that it is one of at least 50 PRPs with respect to the Lower Duwamish site located in Seattle, Washington, based on the company's ownership of a glass container plant prior to 1995, and notifying the company of a proposed remediation action plan. A site was selected to begin data review on over 30 industrial companies and government entities and at least two PRP groups have been discussing various allocation proposals. The USEPA issued the site Record of Decision (ROD) in December 2014. Ball submitted its initial responses to the allocator's questionnaire in March 2015, and after reviewing submissions from the PRPs alleging deficiencies in certain of Ball's responses, the allocator denied certain of the allegations and directed the company to answer others, to which Ball responded during the fourth quarter of 2016. A group of de minimis PRPs, including Ball, retained a technical consultant to assist with their positions vis-à-vis larger PRPs, and further presentations were made to the site allocator during the fourth quarter of 2017 and the first quarter of 2018. Total site remediation costs of \$342 million, to cover remediation of approximately 200 acres of river bottom, are expected according to the proposed remediation action plan, which does not include \$100 million that has already been spent, and which will be allocated among the numerous PRPs in due course. Based on the information available to the company at this time, we do not believe that this matter will have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

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In February 2012, Ball Metal Beverage Container Corp. (BMBCC) filed an action against Crown Packaging Technology, Inc. (Crown) in the U.S. District Court for the Southern District of Ohio seeking a declaratory judgment that the manufacture, sale and use of certain ends by BMBCC and its customers do not infringe certain claims of Crown's U.S. patents. Crown subsequently filed a counterclaim alleging infringement of certain claims in these patents seeking unspecified monetary damages, fees and declaratory and injunctive relief. The District Court issued a claim construction order at the end of December 2015 and held a scheduling conference on February 10, 2016, to determine the timeline for future steps in the litigation. The case was stayed by mutual agreement of the parties into the third quarter of 2016, during which Crown made preparations for its discovery with respect to certain ends previously produced by Rexam, and such discovery began during the first half of 2017. The parties attempted to mediate the case on August 1, 2017, but no progress was made, and the case continues as scheduled, with discovery expected to continue through the third quarter of 2018. Based on the information available to the company at the present time, the company does not believe that this matter will have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

A former Rexam Personal Care site in Annecy, France, was found in 2003 to be contaminated following a leak of chlorinated solvents (TCE) from an underground feedline. The site underwent extensive investigation and an active remediation treatment system was put in place in 2006. The business operating from the site was sold to Albea in 2013 and in turn to a French company CATIDOM (operating as Reboul). Reboul vacated the site in September 2014, and the site reverted back to Rexam during the first quarter of 2015. As part of the site closure regulatory requirements, a new regulatory permit (Prefectoral Order) was issued in June 2016, which includes requirements to undertake a cost-benefit analysis and pilot studies of further treatment for the known residual solvent contamination following the shutdown of the current on-site treatment system. A new management plan will be proposed to the French Environmental Authorities (DREAL) during 2018. Based on the information available to the company at this time, we do not believe that this matter will have a material adverse effect upon the liquidity, results of operations or financial condition of the company.

The company's operations in Brazil are involved in various governmental assessments, principally related to claims for taxes on the internal transfer of inventory, gross revenue taxes and indirect tax incentives. The company does not believe that the ultimate resolution of these matters will materially impact the company's results of operations, financial position or cash flows. Under customary local regulations, the company's Brazilian subsidiaries may need to post cash or other collateral if the process to challenge any administrative assessment proceeds to the Brazilian court system; however, the level of any potential cash or collateral required would not significantly impact the liquidity of those subsidiaries or Ball Corporation.

During the first quarter of 2017, the Brazilian Supreme Court (the Court) ruled against the Brazilian tax authorities in a leading case related to the computation of certain indirect taxes. The Court ruled that the indirect tax base should not include a value-added tax known as "ICMS." By removing the ICMS from the tax base, the Court effectively eliminated a "tax on tax."

The Court decision, in principle, affects all applicable judicial proceedings in progress. However, after publication of the decision in October 2017, the Brazilian tax authorities filed an appeal seeking clarification of certain matters, including the amount of ICMS to which taxpayers would be entitled in order to reduce their indirect tax base (i.e., the gross rate or net rate). The appeal also requested a modulation of the decision's effects, which may limit its impact on taxpayers.

Our Brazilian subsidiaries have paid to the Brazilian tax authorities the gross amounts of certain indirect taxes (which included ICMS in their tax base) and have filed lawsuits in 2014 and 2015, in order to challenge the legislation regarding those taxes. Pursuant to these lawsuits, we have requested reimbursement of prior excess tax payments. Taking into consideration that the Court may settle different premises for ICMS exclusion, which will be resolved only after the pending appeal is decided, we believe the outcome of this matter is uncertain at this time. The resolution of the appeal may result in a material reimbursement to the company from the Brazilian government, the amount of which cannot be estimated at this time.

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22. Indemnifications and Guarantees

General Guarantees

The company or its appropriate consolidated direct or indirect subsidiaries, including Rexam and its subsidiaries, have made certain indemnities, commitments and guarantees under which the specified entity may be required to make payments in relation to certain transactions. These indemnities, commitments and guarantees include indemnities to the customers of the subsidiaries in connection with the sales of their packaging and aerospace products and services; guarantees to suppliers of subsidiaries of the company guaranteeing the performance of the respective entity under a purchase agreement, construction contract or other commitment; guarantees in respect of certain foreign subsidiaries' pension plans; indemnities for liabilities associated with the infringement of third-party patents, trademarks or copyrights under various types of agreements; indemnities to various lessors in connection with facility, equipment, furniture and other personal property leases for certain claims arising from such leases; indemnities to governmental agencies in connection with the issuance of a permit or license to the company or a subsidiary; indemnities pursuant to agreements relating to certain joint ventures; indemnities in connection with the sale of businesses or substantially all of the assets and specified liabilities of businesses; and indemnities to directors, officers and employees of the company to the extent permitted under the laws of the State of Indiana and the United States of America. The duration of these indemnities, commitments and guarantees varies and, in certain cases, is indefinite.

In addition, many of these indemnities, commitments and guarantees do not provide for any limitation on the maximum potential future payments the company could be obligated to make. As such, the company is unable to reasonably estimate its potential exposure under these items.

Other than the indemnifications provided in connection with the sale of the Divestment Business (refer to Note 4), the company has not recorded any material liabilities for these indemnities, commitments and guarantees in the accompanying consolidated balance sheets. The company does, however, accrue for payments under promissory notes and other evidences of incurred indebtedness and for losses for any known contingent liability, including those that may arise from indemnifications, commitments and guarantees, when future payment is both reasonably estimable and probable. Finally, the company carries specific and general liability insurance policies and has obtained indemnities, commitments and guarantees from third-party purchasers, sellers and other contracting parties, which the company believes would, in certain circumstances, provide recourse to any claims arising from these indemnifications, commitments and guarantees.

Debt Guarantees

The company's and its subsidiaries' obligations under the senior notes and senior credit facilities (or, in the case of U.S. domiciled foreign subsidiaries under the senior credit facilities, the obligations of foreign credit parties only) are guaranteed on a full, unconditional and joint and several basis by certain of the company's domestic subsidiaries and the domestic subsidiary borrowers, and obligations of other guarantors and the subsidiary borrowers under the senior credit facilities are guaranteed by the company, in each case with certain exceptions and subject to grace periods. These guarantees are required in support of the senior notes and senior credit facilities referred to above, are coterminous with the terms of the respective note indentures, senior notes and credit agreement and could be enforced by the holders of the obligations thereunder during the continuation of an event of default under the note indentures, the senior notes or the credit agreement or any other loan document in respect thereof. The maximum potential amounts which could be required to be paid under such guarantees are essentially equal to the then outstanding obligations under the respective senior notes or the credit agreement (or, in the case of U.S. domiciled foreign subsidiaries under the senior credit facilities, the obligations of foreign credit parties only), with certain exceptions. All obligations under the guarantees of the senior credit facilities are secured, with certain exceptions and subject to certain grace periods, by a valid first priority perfected lien or pledge on (i) 100 percent of the capital stock of each of the company's material wholly owned domestic subsidiaries directly owned by the company or any of its wholly owned domestic subsidiaries and (ii) 65 percent of the capital stock of each of the company's material wholly owned first-tier foreign subsidiaries directly owned

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by the company or any of its wholly owned domestic subsidiaries. In addition, the obligations of certain foreign borrowers and foreign pledgors under the loan documents will be secured, with certain exceptions and subject to certain grace periods, by a valid first priority perfected lien or pledge on 100 percent of the capital stock of certain of the company's material wholly owned foreign subsidiaries and material wholly owned U.S. domiciled foreign subsidiaries directly owned by the company or any of its wholly owned material subsidiaries. The company is not in default under the above senior notes or senior credit facilities. The condensed consolidating financial information for the guarantor and non-guarantor subsidiaries is presented in Note 23. Separate financial statements for the guarantor subsidiaries and the non-guarantor subsidiaries are not presented because management has determined that such financial statements are not required under the Securities and Exchange Commission (SEC) regulations.

23. Subsidiary Guarantees of Debt

The following condensed consolidating financial information is presented in accordance with SEC Regulations S-X Rule 3-10, Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered. For purposes of the presentation of condensed consolidating financial information, the subsidiaries of the company providing the guarantees are referred to as the guarantor subsidiaries, and subsidiaries of the company other than the guarantor subsidiaries are referred to as the non-guarantor subsidiaries. The eliminating adjustments substantively consist of intercompany transactions and the elimination of equity investments and earnings of subsidiaries. Separate financial statements for the guarantor subsidiaries and the non-guarantor subsidiaries are not presented because management has determined that such financial statements are not required under SEC regulations.

The company's senior notes are guaranteed on a full and unconditional guarantee on a joint and several basis by certain domestic subsidiaries of the company. Each of the guarantor subsidiaries is 100 percent owned by the company. As described in the supplemental indentures governing the company's existing senior notes, the senior notes are to be guaranteed by any of the company's domestic subsidiaries that guarantee any other indebtedness of the company. The following is condensed consolidating financial information for the company, segregating the guarantor subsidiaries and non-guarantor subsidiaries, as of December 31, 2017 and 2016, and for the three years ended December 31, 2017, 2016 and 2015. The condensed consolidating financial information presented below is not necessarily indicative of the financial position, results of operations, earnings or cash flows of the company or any of the company's subsidiaries on a stand-alone basis.

Ball Corporation
Notes to the Consolidated Financial Statements

(\$ in millions)	Condensed Consolidating Statement of Earnings				
	For the Year Ended December 31, 2017				
	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	\$ —	\$ 4,839	\$ 6,317	\$ (173)	\$ 10,983
Cost and expenses					
Cost of sales (excluding depreciation and amortization)	—	(3,980)	(4,910)	173	(8,717)
Depreciation and amortization	(8)	(150)	(571)	—	(729)
Selling, general and administrative	(168)	(121)	(225)	—	(514)
Business consolidation and other activities	(120)	(57)	(44)	—	(221)
Equity in results of subsidiaries	673	191	(40)	(824)	—
Intercompany	301	(149)	(152)	—	—
	<u>678</u>	<u>(4,266)</u>	<u>(5,942)</u>	<u>(651)</u>	<u>(10,181)</u>
Earnings (loss) before interest and taxes	678	573	375	(824)	802
Interest expense	(275)	6	(16)	—	(285)
Debt refinancing and other costs	—	—	(3)	—	(3)
Total interest expense	<u>(275)</u>	<u>6</u>	<u>(19)</u>	<u>—</u>	<u>(288)</u>
Earnings (loss) before taxes	403	579	356	(824)	514
Tax (provision) benefit	(29)	(112)	(24)	—	(165)
Equity in results of affiliates, net of tax	—	1	30	—	31
Net earnings	374	468	362	(824)	380
Less net earnings attributable to noncontrolling interests	—	—	(6)	—	(6)
Net earnings attributable to Ball Corporation	<u>\$ 374</u>	<u>\$ 468</u>	<u>\$ 356</u>	<u>\$ (824)</u>	<u>\$ 374</u>
Comprehensive earnings (loss) attributable to Ball Corporation					
	<u>\$ 659</u>	<u>\$ 731</u>	<u>\$ 639</u>	<u>\$ (1,370)</u>	<u>\$ 659</u>

Ball Corporation
Notes to the Consolidated Financial Statements

(\$ in millions)	Condensed Consolidating Statement of Earnings For the Year Ended December 31, 2016				
	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	\$ —	\$ 4,589	\$ 4,698	\$ (226)	\$ 9,061
Cost and expenses					
Cost of sales (excluding depreciation and amortization)	—	(3,756)	(3,766)	226	(7,296)
Depreciation and amortization	(5)	(142)	(306)	—	(453)
Selling, general and administrative	(58)	(204)	(250)	—	(512)
Business consolidation and other activities	(577)	(49)	289	—	(337)
Equity in results of subsidiaries	692	503	(33)	(1,162)	—
Intercompany	345	(259)	(86)	—	—
	397	(3,907)	(4,152)	(936)	(8,598)
Earnings (loss) before interest and taxes	397	682	546	(1,162)	463
Interest expense	(207)	—	(22)	—	(229)
Debt refinancing and other costs	(97)	—	(12)	—	(109)
Total interest expense	(304)	—	(34)	—	(338)
Earnings (loss) before taxes	93	682	512	(1,162)	125
Tax (provision) benefit	170	(122)	78	—	126
Equity in results of affiliates, net of tax	—	—	15	—	15
Net earnings	263	560	605	(1,162)	266
Less net earnings attributable to noncontrolling interests	—	—	(3)	—	(3)
Net earnings attributable to Ball Corporation	\$ 263	\$ 560	\$ 602	\$ (1,162)	\$ 263
Comprehensive earnings (loss) attributable to Ball Corporation	\$ (38)	\$ 296	\$ 334	\$ (630)	\$ (38)

Ball Corporation
Notes to the Consolidated Financial Statements

(\$ in millions)	Condensed Consolidating Statement of Earnings				
	For the Year Ended December 31, 2015				
	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Net sales	\$ —	\$ 4,788	\$ 3,259	\$ (50)	\$ 7,997
Cost and expenses					
Cost of sales (excluding depreciation and amortization)	—	(3,959)	(2,551)	50	(6,460)
Depreciation and amortization	(6)	(132)	(148)	—	(286)
Selling, general and administrative	(80)	(170)	(200)	—	(450)
Business consolidation and other activities	(159)	(18)	(18)	—	(195)
Equity in results of subsidiaries	453	215	—	(668)	—
Intercompany	207	(175)	(32)	—	—
	415	(4,239)	(2,949)	(618)	(7,391)
Earnings (loss) before interest and taxes	415	549	310	(668)	606
Interest expense	(139)	5	(9)	—	(143)
Debt refinancing and other costs	(115)	—	(2)	—	(117)
Total interest expense	(254)	5	(11)	—	(260)
Earnings (loss) before taxes	161	554	299	(668)	346
Tax (provision) benefit	120	(110)	(57)	—	(47)
Equity in results of affiliates, net of tax	—	2	2	—	4
Net earnings	281	446	244	(668)	303
Less net earnings attributable to noncontrolling interests	—	—	(22)	—	(22)
Net earnings attributable to Ball Corporation	\$ 281	\$ 446	\$ 222	\$ (668)	\$ 281
Comprehensive earnings (loss) attributable to Ball Corporation	\$ 163	\$ 328	\$ 100	\$ (428)	\$ 163

Ball Corporation
Notes to the Consolidated Financial Statements

(\$ in millions)	Condensed Consolidating Balance Sheet				
	December 31, 2017				
	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Assets					
Current assets					
Cash and cash equivalents	\$ 5	\$ —	\$ 443	\$ —	\$ 448
Receivables, net	3	233	1,398	—	1,634
Intercompany receivables	39	470	912	(1,421)	—
Inventories, net	—	605	921	—	1,526
Other current assets	9	48	93	—	150
Total current assets	56	1,356	3,767	(1,421)	3,758
Noncurrent assets					
Property, plant and equipment, net	20	1,275	3,315	—	4,610
Investment in subsidiaries	8,639	4,662	389	(13,690)	—
Goodwill	—	981	3,952	—	4,933
Intangible assets, net	15	65	2,382	—	2,462
Other assets	185	296	925	—	1,406
Total assets	\$ 8,915	\$ 8,635	\$ 14,730	\$ (15,111)	\$ 17,169
Liabilities and Shareholders' Equity					
Current liabilities					
Short-term debt and current portion of long-term debt	\$ 351	\$ —	\$ 102	\$ —	\$ 453
Accounts payable	14	986	1,762	—	2,762
Intercompany payables	705	76	640	(1,421)	—
Accrued employee costs	28	157	167	—	352
Other current liabilities	170	81	289	—	540
Total current liabilities	1,268	1,300	2,960	(1,421)	4,107
Noncurrent liabilities					
Long-term debt	6,504	—	14	—	6,518
Employee benefit obligations	333	707	423	—	1,463
Intercompany long-term notes	(3,172)	1,599	1,572	1	—
Deferred taxes	(109)	256	548	—	695
Other liabilities	150	23	167	—	340
Total liabilities	4,974	3,885	5,684	(1,420)	13,123
Common stock					
Common stock	1,084	1,128	6,291	(7,419)	1,084
Preferred stock	—	—	5	(5)	—
Retained earnings	4,987	4,197	2,914	(7,111)	4,987
Accumulated other comprehensive earnings (loss)	(656)	(575)	(269)	844	(656)
Treasury stock, at cost	(1,474)	—	—	—	(1,474)
Total Ball Corporation shareholders' equity	3,941	4,750	8,941	(13,691)	3,941
Noncontrolling interests					
Total shareholders' equity	3,941	4,750	9,046	(13,691)	4,046
Total liabilities and shareholders' equity	\$ 8,915	\$ 8,635	\$ 14,730	\$ (15,111)	\$ 17,169

Ball Corporation
Notes to the Consolidated Financial Statements

(\$ in millions)	Condensed Consolidating Balance Sheet				
	December 31, 2016				
	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Adjustments	Consolidated Total
Assets					
Current assets					
Cash and cash equivalents	\$ 2	\$ (11)	\$ 606	\$ —	\$ 597
Receivables, net	96	450	945	—	1,491
Intercompany receivables	39	467	963	(1,469)	—
Inventories, net	—	516	897	—	1,413
Other current assets	40	39	73	—	152
Total current assets	177	1,461	3,484	(1,469)	3,653
Noncurrent assets					
Property, plant and equipment, net	23	1,087	3,277	—	4,387
Investment in subsidiaries	7,815	4,291	423	(12,529)	—
Goodwill	—	985	4,110	—	5,095
Intangible assets, net	18	76	1,840	—	1,934
Other assets	94	306	704	—	1,104
Total assets	\$ 8,127	\$ 8,206	\$ 13,838	\$ (13,998)	\$ 16,173
Liabilities and Shareholders' Equity					
Current liabilities					
Short-term debt and current portion of long-term debt	\$ 141	\$ —	\$ 81	\$ —	\$ 222
Accounts payable	18	772	1,243	—	2,033
Intercompany payables	1,010	53	408	(1,471)	—
Accrued employee costs	25	152	138	—	315
Other current liabilities	138	69	192	—	399
Total current liabilities	1,332	1,046	2,062	(1,471)	2,969
Noncurrent liabilities					
Long-term debt	6,337	—	973	—	7,310
Employee benefit obligations	347	760	390	—	1,497
Intercompany long-term notes	(3,142)	2,018	1,122	2	—
Deferred taxes	(308)	232	515	—	439
Other liabilities	127	35	255	—	417
Total liabilities	4,693	4,091	5,317	(1,469)	12,632
Common stock					
Common stock	1,038	1,120	6,301	(7,421)	1,038
Preferred stock	—	—	5	(5)	—
Retained earnings	4,739	3,832	2,661	(6,493)	4,739
Accumulated other comprehensive earnings (loss)	(942)	(837)	(552)	1,390	(941)
Treasury stock, at cost	(1,401)	—	—	—	(1,401)
Total Ball Corporation shareholders' equity	3,434	4,115	8,415	(12,529)	3,435
Noncontrolling interests					
Noncontrolling interests	—	—	106	—	106
Total shareholders' equity	3,434	4,115	8,521	(12,529)	3,541
Total liabilities and shareholders' equity	\$ 8,127	\$ 8,206	\$ 13,838	\$ (13,998)	\$ 16,173

Ball Corporation
Notes to the Consolidated Financial Statements

(\$ in millions)	Condensed Consolidating Statement of Cash Flows For the Year Ended December 31, 2017			
	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated Total
Cash provided by (used in) operating activities	\$ 234	\$ 645	\$ 599	\$ 1,478
Cash flows from investing activities				
Capital expenditures	(6)	(298)	(252)	(556)
Business dispositions, net of cash sold	17	31	(50)	(2)
Other, net	(2)	34	(19)	13
Cash provided by (used in) investing activities	9	(233)	(321)	(545)
Cash flows from financing activities				
Long-term borrowings	765	—	—	765
Repayments of long-term borrowings	(741)	—	(1,069)	(1,810)
Net change in short-term borrowings	174	—	10	184
Proceeds from issuances of common stock, net of shares used for taxes	27	—	—	27
Acquisitions of treasury stock	(103)	—	—	(103)
Common stock dividends	(129)	—	—	(129)
Intercompany	(226)	(398)	624	—
Other, net	—	(3)	(4)	(7)
Cash provided by (used in) financing activities	(233)	(401)	(439)	(1,073)
Effect of exchange rate changes on cash	(7)	—	(2)	(9)
Change in cash and cash equivalents	3	11	(163)	(149)
Cash and cash equivalents – beginning of period	2	(11)	606	597
Cash and cash equivalents – end of period	\$ 5	\$ —	\$ 443	\$ 448

Ball Corporation
Notes to the Consolidated Financial Statements

(\$ in millions)	Condensed Consolidating Statement of Cash Flows			
	For the Year Ended December 31, 2016			
	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated Total
Cash provided by (used in) operating activities	\$ (1,051)	\$ 85	\$ 1,160	\$ 194
Cash flows from investing activities				
Capital expenditures	(15)	(222)	(369)	(606)
Business acquisition, net of cash acquired	2,303	29	(5,711)	(3,379)
Business dispositions, net of cash sold	1,010	24	1,904	2,938
Decrease in restricted cash	1,966	—	—	1,966
Settlement of Rexam acquisition related derivatives	(252)	—	—	(252)
Other, net	2	4	(1)	5
Cash provided by (used in) investing activities	5,014	(165)	(4,177)	672
Cash flows from financing activities				
Long-term borrowings	2,610	—	1,760	4,370
Repayments of long-term borrowings	(1,038)	—	(3,586)	(4,624)
Net change in short-term borrowings	71	(29)	(19)	23
Proceeds from issuances of common stock, net of shares used for taxes	48	—	—	48
Acquisitions of treasury stock	(107)	—	—	(107)
Common stock dividends	(83)	—	—	(83)
Intercompany	(5,467)	98	5,369	—
Other, net	(2)	(3)	(9)	(14)
Cash provided by (used in) financing activities	(3,968)	66	3,515	(387)
Effect of exchange rate changes on cash	2	3	(111)	(106)
Change in cash and cash equivalents	(3)	(11)	387	373
Cash and cash equivalents – beginning of period	5	—	219	224
Cash and cash equivalents – end of period	\$ 2	\$ (11)	\$ 606	\$ 597

Ball Corporation
Notes to the Consolidated Financial Statements

(\$ in millions)	Condensed Consolidating Statement of Cash Flows			
	For the Year Ended December 31, 2015			
	Ball Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated Total
Cash provided by (used in) operating activities	\$ (13)	\$ 568	\$ 452	\$ 1,007
Cash flows from investing activities				
Capital expenditures	(8)	(194)	(326)	(528)
Business acquisition, net of cash acquired	—	(29)	—	(29)
Business dispositions, net of cash sold	—	—	1	1
Increase in restricted cash	(2,183)	—	—	(2,183)
Settlement of Rexam acquisition related derivatives	(16)	—	—	(16)
Other, net	23	8	3	34
Cash provided by (used in) investing activities	(2,184)	(215)	(322)	(2,721)
Cash flows from financing activities				
Long-term borrowings	4,509	—	15	4,524
Repayments of long-term borrowings	(2,301)	—	(129)	(2,430)
Net change in short-term borrowings	(2)	(7)	(84)	(93)
Proceeds from issuances of common stock, net of shares used for taxes	36	—	—	36
Acquisitions of treasury stock	(136)	—	—	(136)
Common stock dividends	(72)	—	—	(72)
Intercompany	249	(341)	92	—
Other, net	(73)	(2)	(17)	(92)
Cash provided by (used in) financing activities	2,210	(350)	(123)	1,737
Effect of exchange rate changes on cash	(10)	(3)	23	10
Change in cash and cash equivalents	3	—	30	33
Cash and cash equivalents – beginning of period	2	—	189	191
Cash and cash equivalents – end of period	\$ 5	\$ —	\$ 219	\$ 224

24. Subsequent Events

On February 6, 2018, the company announced plans to build a one-line beverage can and end manufacturing plant in Asuncion, Paraguay, and to add capacity in its Buenos Aires, Argentina, facility. These investments will allow the company to serve the growing beverage can market in Paraguay, Bolivia and Argentina, and to support various customer demands with multiple can sizes. The Paraguay plant is expected to begin production in the fourth quarter of 2019 and most of its capacity is contracted under long-term agreements.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no matters required to be reported under this item.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Ball Corporation has established disclosure controls and procedures to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to management of the company, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. As of December 31, 2017, Ball Corporation, under the supervision of the Chief Executive Officer and Chief Financial Officer of the company, has conducted an evaluation of the effectiveness of the design and operation of the company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) and the Chief Executive Officer and Chief Financial Officer have concluded that the company's disclosure controls and procedures were effective.

Management's Report on Internal Control Over Financial Reporting

Ball Corporation is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework described in "*Internal Control — Integrated Framework*" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2017.

The effectiveness of our internal control over financial reporting as of December 31, 2017, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

Remediation of the 2016 Material Weakness

In 2016, we did not design and maintain effective controls over the accuracy and completeness of the accounting for income taxes related to the sale of the Divestment Business and certain discrete income tax benefits related to the acquisition of Rexam. During 2017, our management, with the oversight of the Audit Committee of our Board of Directors, has been engaged in efforts to remediate the material weakness identified and disclosed in Item 9A of the December 31, 2016 Form 10-K. Internal control enhancements have been designed, implemented and tested for operational effectiveness. Based on the results of our testing, management has concluded that the controls are adequately designed and have operated effectively for a sufficient period of time during 2017. Accordingly, the material weakness is considered to be remediated.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2017, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

There were no matters required to be reported under this item.

Part III

Item 10. Directors, Executive Officers and Corporate Governance of the Registrant

The executive officers of the company as of February 28, 2018, were as follows:

Charles E. Baker, 60, Vice President, General Counsel and Corporate Secretary since July 2011; Vice President, General Counsel and Assistant Corporate Secretary from 2004 to 2011; Associate General Counsel, 1999 to 2004; various other positions within the company, 1993 to 1999.

Nate C. Carey, 39, Vice President and Controller since November 2017; Assistant Controller from 2014 to November 2017; Senior Manager, PricewaterhouseCoopers LLP, 2001 to 2014.

Daniel W. Fisher, 45, Senior Vice President, Ball Corporation, and Chief Operating Officer, Global Beverage Packaging, since December 2016; President, Beverage Packaging North and Central America from 2014 to 2016; Senior Vice President, Finance and Planning, Beverage Packaging North and Central America, 2013 to 2014; various other positions within the company, 2010 to 2014.

John A. Hayes, 52, Chairman, President and Chief Executive Officer since 2013; President and Chief Executive Officer, 2011 to 2013; President and Chief Operating Officer during 2010; Executive Vice President and Chief Operating Officer from 2008 to 2009; various other positions within the company, 1999 to 2008.

Jeffrey A. Knobel, 46, Vice President and Treasurer since 2011; Treasurer from 2010 to 2011; Senior Director, Treasury, 2008 to 2010; Director, Treasury Operations, 2005 to 2008; various other positions within the company, 1997 to 2005.

Scott C. Morrison, 55, Senior Vice President and Chief Financial Officer since 2010; Vice President and Treasurer from 2002 to 2009; and Treasurer, 2000 to 2002.

Lisa A. Pauley, 56, Senior Vice President, Human Resources and Administration, since 2011; Vice President, Administration and Compliance, 2007 to 2011; Senior Director, Administration and Compliance, 2004 to 2007; various other positions within the company, 1981 to 2004.

James N. Peterson, 49, Senior Vice President, Ball Corporation, and Chief Operating Officer, Global Food and Aerosol Packaging, since 2015; Vice President, Marketing and Corporate Affairs from 2011 to 2015; Vice President, Marketing and Corporate Relations, 2008 to 2011; Director, Marketing North America, 2006 to 2008; and Vice President, Marketing & Business Development, U.S. Can Company, 2004 to 2006.

Robert D. Strain, 61, Senior Vice President, Ball Corporation, and President, Ball Aerospace & Technologies Corp. since 2013; Chief Operating Officer, Ball Aerospace & Technologies Corp. from 2012 to 2013; and Director at NASA Goddard Space Flight Center from 2008 to 2012.

Other information required by Item 10 appearing under the caption “Director Nominees and Continuing Directors” and “Section 16(a) Beneficial Ownership Reporting Compliance,” of the company’s proxy statement to be filed pursuant to Regulation 14A within 120 days after December 31, 2016, is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Item 11 appearing under the caption “Executive Compensation” in the company’s proxy statement, to be filed pursuant to Regulation 14A within 120 days after December 31, 2017, is incorporated herein by reference. Additionally, the Ball Corporation 2000 Deferred Compensation Company Stock Plan, the Ball Corporation 2005 Deferred Compensation Company Stock Plan, the Ball Corporation Deposit Share Program and the Ball Corporation Directors Deposit Share Program were created to encourage key executives and other participants to acquire a larger equity ownership interest in the company and to increase their interest in the company’s stock performance.

Nonemployee directors may also be a participant in the 2000 Deferred Compensation Company Stock Plan and the 2005 Deferred Compensation Company Stock Plan.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by Item 12 appearing under the caption “Voting Securities and Principal Shareholders,” in the company’s proxy statement to be filed pursuant to Regulation 14A within 120 days after December 31, 2017, is incorporated herein by reference.

Securities authorized for issuance under equity compensation plans are summarized below:

Plan Category	Equity Compensation Plan Information		
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (A)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (B)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (A)) (C)
Equity compensation plans approved by security holders	25,404,206	\$ 24.21	25,404,206
Equity compensation plans not approved by security holders	—	—	—
Total	25,404,206	\$ 24.21	25,404,206

Item 13. Certain Relationships and Related Transactions

The information required by Item 13 appearing under the caption “Ratification of the Appointment of Independent Registered Public Accounting Firm,” in the company’s proxy statement to be filed pursuant to Regulation 14A within 120 days after December 31, 2017, is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 appearing under the caption “Certain Committees of the Board,” in the company’s proxy statement to be filed pursuant to Regulation 14A within 120 days after December 31, 2017, is incorporated herein by reference.

Part IV.

Item 15. Exhibits, Financial Statement Schedules

(a) (1) **Financial Statements:**

The following documents are included in Part II, Item 8:

- Report of independent registered public accounting firm
- Consolidated statements of earnings — Years ended December 31, 2017, 2016 and 2015
- Consolidated statements of comprehensive earnings (loss) — Years ended December 31, 2017, 2016 and 2015
- Consolidated balance sheets — December 31, 2017 and 2016
- Consolidated statements of cash flows — Years ended December 31, 2017, 2016 and 2015
- Consolidated statements of shareholders' equity — Years ended December 31, 2017, 2016 and 2015
- Notes to consolidated financial statements

(2) **Financial Statement Schedules:**

Financial statement schedules have been omitted, as they are either not applicable, are considered insignificant or the required information is included in the consolidated financial statements or notes thereto.

(3) **Exhibits:**

Exhibit Number	Description of Exhibit
3.i	Amended Articles of Incorporation revised May 4, 2017 (Filed herewith).
3.ii	Bylaws of Ball Corporation as amended October 24, 2017 (Filed herewith).
4.1(a)	Indenture, dated as of March 27, 2006, by and between Ball Corporation and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as Trustee (filed by incorporation by reference to the Current Report on Form 8-K dated March 27, 2006) filed March 30, 2006.
4.1(b)	Seventh Supplemental Indenture, dated as of March 9, 2012, among Ball Corporation, the guarantors named therein and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.) (filed by incorporation by reference to the Current Report on Form 8-K dated March 8, 2012) filed March 9, 2012.
4.1(c)	Eighth Supplemental Indenture dated as of May 16, 2013, among Ball Corporation, the guarantors named therein and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.) (filed by incorporation by reference to Exhibit 4.2 of the Current Report on Form 8-K dated May 16, 2013) filed May 17, 2013.
4.1(d)	Tenth Supplemental Indenture, dated as of March 27, 2015, among Ball Corporation, the guarantors named therein and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.) (filed by incorporation by reference to Exhibit 4.2 of the Current Report on Form 8-K dated June 22, 2015) filed June 25, 2015.

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Exhibit Number	Description of Exhibit
4.1(e)	Indenture, dated as of November 27, 2015, by and between Ball Corporation and Deutsche Bank Trust Company Americas (filed by incorporation by reference to Exhibit 4.7 of the Registration Statement on Form S-3 dated November 27, 2015) filed November 27, 2015.
4.1(f)	First Supplemental Indenture, dated as of December 14, 2015, among Ball Corporation, the guarantors named therein and Deutsche Bank Trust Company Americas (filed by incorporation by reference to Exhibit 4.2 of the Current Report on Form 8-K dated December 14, 2015) filed December 16, 2015.
4.1(g)	Second Supplemental Indenture, dated as of December 14, 2015, among Ball Corporation, the guarantors named therein and Deutsche Bank Trust Company Americas (filed by incorporation by reference to Exhibit 4.4 of the Current Report on Form 8-K dated December 14, 2015) filed December 16, 2015.
4.1(h)	Third Supplemental Indenture, dated as of December 14, 2015, among Ball Corporation, the guarantors named therein and Deutsche Bank Trust Company Americas (filed by incorporation by reference to Exhibit 4.6 of the Current Report on Form 8-K dated December 14, 2015) filed December 16, 2015.
10.2	Ball Corporation 1986 Deferred Compensation Plan, as amended July 1, 1994 (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994) filed August 17, 1994.*
10.3	Ball Corporation 1988 Deferred Compensation Plan, as amended July 1, 1994 (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994) filed August 17, 1994.*
10.4	Ball Corporation 1989 Deferred Compensation Plan, as amended July 1, 1994 (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994) filed August 17, 1994.*
10.5	Amended and Restated Form of Severance Benefit Agreement that exists between the company and its executive officers, effective as of August 1, 1994, and as amended on January 24, 1996 (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended March 22, 1996) filed May 15, 1996, and as amended on December 17, 2008.*
10.6	Ball Corporation 1986 Deferred Compensation Plan for Directors, as amended October 27, 1987 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1990) filed April 1, 1991.*
10.7	Ball Corporation Economic Value Added Incentive Compensation Plan dated January 1, 1994 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 1994) filed March 29, 1995 , and as amended on August 11, 2011 (filed by incorporation by reference to Exhibit 10.7 of the Annual Report on Form 10-K for the year ended December 31, 2013) filed February 24, 2014, and as amended on April 26, 2016. (Filed herewith.)*
10.8	Ball Corporation 1997 Stock Incentive Plan (filed by incorporation by reference to the Form S-8 Registration Statement, No. 333-26361) filed May 1, 1997.*
10.9	Ball Corporation 2005 Deferred Compensation Plan, effective January 1, 2005 (filed by incorporation by reference to Exhibit 10.1 of the Current Report on Form 8-K dated December 23, 2005) filed December 23, 2005, and as amended and restated on January 1, 2013 (filed by incorporation by reference to Exhibit 10.10 of the Annual Report on Form 10-K for the year ended December 31, 2013), filed February 24, 2014.*

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Exhibit Number	Description of Exhibit
10.10	Ball Corporation 2005 Deferred Compensation Company Stock Plan, effective January 1, 2005 (filed by incorporation by reference to Exhibit 10.2 of the Current Report on Form 8-K dated December 23, 2005) filed December 23, 2005, and as amended and restated on January 1, 2013 (filed by incorporation by reference to Exhibit 10.11 of the Annual Report on Form 10-K for the year ended December 31, 2013), filed February 24, 2014. *
10.11	Ball Corporation 2005 Deferred Compensation Plan for Directors, effective January 1, 2005 (filed by incorporation by reference to Exhibit 10.3 of the Current Report on Form 8-K dated December 23, 2005) filed December 23, 2005, and as amended and restated on January 1, 2013 (filed by incorporation by reference to Exhibit 10.12 of the Annual Report on Form 10-K for the year ended December 31, 2013), filed February 24, 2014.*
10.12	Ball Corporation Long-Term Cash Incentive Plan dated October 25, 1994, amended and restated effective January 1, 2003 (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 2003) filed March 12, 2004, amended and restated as of April 26, 2016. (Filed herewith.)*
10.13	Ball Corporation 2005 Stock and Cash Incentive Plan filed by incorporation by reference to the Proxy Statement filed March 18, 2005.*
10.14	Ball Corporation 2010 Stock and Cash Incentive Plan filed by incorporation by reference to the Proxy Statement filed March 12, 2010.*
10.15	Ball Corporation Deposit Share Program for United States Participants as amended (filed by incorporation by reference to the Quarterly report on Form 10-Q for the quarter ended July 4, 2014) filed on August 11, 2004 and amended and restated as of July 27, 2016. (Filed herewith.)*
10.16	Ball Corporation Deposit Share Program for International Participants effective as of March 7, 2001 (filed by incorporation by reference to the 10-K for the year ended December 31, 2000) , filed March 30, 2001, and amended and restated as of July 27, 2016. (Filed herewith.)*
10.17	Ball Corporation Directors Deposit Share Program, as amended and restated on July 27, 2016. This plan is referred to in Item 11, the Executive Compensation section of the Form 10-K (filed by incorporation by reference to the Quarterly Report on Form 10-Q for the quarter ended July 4, 2004) filed August 11, 2004, as amended and restated on July 27, 2016. (Filed herewith.)*
10.18	Ball Corporation 2013 Stock and Cash Incentive Plan filed by incorporation by reference to the Proxy Statement filed March 8, 2013, amended and restated on April 26, 2017 and filed as the Ball Corporation Amended and Restated 2013 Stock and Cash Incentive Plan (filed by incorporation by reference to the Proxy Statement filed March 15, 2017.)*
10.19	Ball Corporation 2017 Deferred Compensation Company Stock Plan for Directors, effective April 1, 2017 (filed by incorporation by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017) filed May 8, 2017.*
10.20	Credit Agreement, dated as of March 18, 2016, among Ball Corporation, certain subsidiaries of Ball Corporation party thereto as borrowers, Deutsche Bank AG New York Branch as administrative agent and collateral agent, and certain financial institutions party thereto as lenders and initial facing agents (filed by incorporation by reference to Exhibit 10.1 of the Current Report on Form 8-K dated March 18, 2016) filed March 18, 2016.

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Exhibit Number	Description of Exhibit
11	Statement re: Computation of Earnings per Share (filed by incorporation by reference to the notes to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data".)
12	Statement re: Computation of Ratio of Earnings to Fixed Charges. (Filed herewith.)
14	Ball Corporation Executive Officers and Board of Directors Business Ethics Statement, revised July 29, 2015 (filed by incorporation by reference to Exhibit 14 of the Annual Report on Form 10-K for the year ended December 31, 2015) filed February 16, 2016.
18.1	Letter re: Change in Accounting Principles regarding change in pension plan valuation measurement date (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 2002) filed March 27, 2003.
18.2	Letter re: Change in Accounting Principles regarding the change in accounting for certain inventories (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 2006) filed February 22, 2007.
18.3	Letter re: Change in Accounting Principles regarding the change in testing date for potential impairment of goodwill (filed by incorporation by reference to the Annual Report on Form 10-K for the year ended December 31, 2009) filed February 25, 2010.
21	List of Subsidiaries of Ball Corporation. (Filed herewith.)
23	Consent of Independent Registered Public Accounting Firm. (Filed herewith.)
24	Limited Power of Attorney. (Filed herewith.)
31.1	Certifications pursuant to Rule 13a-14(a) or Rule 15d-14(a), by John A. Hayes, Chairman, President and Chief Executive Officer of Ball Corporation. (Filed herewith.)
31.2	Certifications pursuant to Rule 13a-14(a) or Rule 15d-14(a), by Scott C. Morrison, Senior Vice President and Chief Financial Officer of Ball Corporation. (Filed herewith.)
32.1	Certifications pursuant to Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, by John A. Hayes, Chairman, President and Chief Executive Officer of Ball Corporation. (Furnished herewith.)
32.2	Certifications pursuant to Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, by Scott C. Morrison, Senior Vice President and Chief Financial Officer of Ball Corporation. (Furnished herewith.)
99	Cautionary statement for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. (Filed herewith.)
101	The following financial information from Ball Corporation's Annual Report on Form 10-K for the year ended December 31, 2016, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Earnings, (ii) the Consolidated Statements of Comprehensive Earnings, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Shareholders' Equity and Comprehensive Earnings and (vi) Notes to the Consolidated Financial Statements. (Filed herewith.)

* Represents a management contract or compensatory plan or agreement.

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Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BALL CORPORATION
(Registrant)

By: /s/ John A. Hayes
John A. Hayes
Chairman, President and Chief Executive Officer
February 28, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

- (1) Principal Executive Officer:
- | | |
|---|--|
| <u>/s/ John A. Hayes</u>
John A. Hayes | Chairman, President and Chief Executive Officer
February 28, 2018 |
|---|--|
- (2) Principal Financial Officer:
- | | |
|---|--|
| <u>/s/ Scott C. Morrison</u>
Scott C. Morrison | Senior Vice President and Chief Financial Officer
February 28, 2018 |
|---|--|
- (3) Principal Accounting Officer:
- | | |
|---|--|
| <u>/s/ Nate C. Carey</u>
Nate C. Carey | Vice President and Controller
February 28, 2018 |
|---|--|
- (4) A Majority of the Board of Directors:
- | | |
|---------------------------------|---|
| <u>/s/ Robert W. Alspaugh</u> * | Director
February 28, 2018 |
| <u>/s/ Michael J. Cave</u> * | Director
February 28, 2018 |
| <u>/s/ Hanno C. Fiedler</u> * | Director
February 28, 2018 |
| <u>/s/ John A. Hayes</u> * | Chairman of the Board and Director
February 28, 2018 |
| <u>/s/ Daniel J. Heinrich</u> * | Director
February 28, 2018 |
| <u>/s/ R. David Hoover</u> * | Director
February 28, 2018 |
| <u>/s/ Pedro H. Mariani</u> * | Director
February 28, 2018 |
| <u>/s/ Georgia R. Nelson</u> * | Director
February 28, 2018 |

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<u>/s/ Cynthia A. Niekamp</u> *	Director
Cynthia A. Niekamp	February 28, 2018
<u>/s/ Cathy D. Ross</u> *	Director
Cathy D. Ross	February 28, 2018
<u>/s/ George M. Smart</u> *	Director
George M. Smart	February 28, 2018
<u>/s/ Theodore M. Solso</u> *	Director
Theodore M. Solso	February 28, 2018
<u>/s/ Stuart A. Taylor II</u> *	Director
Stuart A. Taylor II	February 28, 2018

* By John A. Hayes as Attorney-in-Fact pursuant to a Limited Power of Attorney executed by the directors listed above, which Power of Attorney has been filed with the Securities and Exchange Commission.

BALL CORPORATION
(Registrant)

By: /s/ John A. Hayes
John A. Hayes
As Attorney-in-Fact
February 28, 2018

**ARTICLES OF AMENDMENT
OF THE
AMENDED ARTICLES OF INCORPORATION
OF
BALL CORPORATION**

The above corporation (hereinafter referred to as the “Corporation”) existing pursuant to the Indiana Business Corporation Law, as amended (the “Act”), desiring to give notice of corporate action effectuating amendment of certain provisions of its Amended Articles of Incorporation, as amended, sets forth the following facts:

**ARTICLE I
NAME OF CORPORATION; DATE OF INCORPORATION**

Section 1.01: Name. The name of the Corporation is Ball Corporation.

Section 1.02: Date of Incorporation. The date of incorporation of the Corporation is December 19, 1922.

**ARTICLE II
AMENDMENTS**

Section 2.01. Amendments. (a) The Amended Articles of Incorporation are hereby amended to replace Article V in its entirety, as follows:

**"Article V
Amount of Capital Stock**

On the close of business on May 16, 2017 (the “Effective Date”), each issued and unissued authorized share of Common Stock of the Corporation as of the close of business on the record date of May 8, 2017 is hereby the subject of a two for one stock split (the “2017 Stock Split”), changing each such share of Common Stock into two shares, to be effected as to each issued and outstanding share of Common Stock by way of a distribution of a stock dividend of one share for each share of Common Stock outstanding, and by adjusting on a two-for-one basis the number of shares of Common Stock as may be reserved for issuance; as a result, the total number of authorized shares of the capital stock of the Corporation shall be one billion, one hundred fifteen million (1,115,000,000) shares without par value.”

(b) The Amended Articles of Incorporation are further amended hereby to replace Article VI, Section A.1 in its entirety, as follows:

**“Article VI
Terms of Capital Stock**

Section A. Designation of Classes and Number of Shares of Capital Stock

1. Immediately following the 2017 Stock Split, one billion one hundred million (1,100,000,000) shares of the authorized capital stock without par value shall be known as Common Stock. The shares of Common Stock shall be identical with each other in all respects.”

**ARTICLE III
MANNER AND DATE OF ADOPTION AND VOTE**

Section 3.01. Action by Directors. The Board of Directors of the Corporation duly adopted a resolution approving the terms and provisions of the foregoing Amendments and the 2017 Stock Split effected thereby. The resolution was duly adopted at a meeting of the Board of Directors held on April 26, 2017, at which a quorum was present. The vote complied with the requirements set forth in the Act, the Amended Articles of Incorporation and Bylaws of the Corporation.

Section 3.02. Action by Shareholders. Pursuant to the Act, a vote of the shareholders is not required for the foregoing Amendments.

Section 3.03. Adoption Date. The date of the adoption of the foregoing Amendments is April 26, 2017.

Section 3.04. Effective Date. The effective date of the Articles of Amendment of the Amended Articles of Incorporation is the date of filing of the Articles of Amendment.

Section 3.05. Compliance with Legal Requirements. The manner of the adoption of these Articles of Amendment of the Amended Articles of Incorporation constitutes full legal compliance with the provisions of the Act, the Amended Articles of Incorporation, and the Bylaws of the Corporation.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned officer of the Corporation executes these Articles of Amendment of the Amended Articles of Incorporation of the Corporation, and verifies, subject to penalties of perjury, that the facts contained herein are true, this 4th day of May, 2017.

BALL CORPORATION

By: /s/ Jeff A. Knobel
Name: Jeff A. Knobel
Its: Vice President and Treasurer

**ARTICLES OF CORRECTION OF
AMENDED ARTICLES OF INCORPORATION
OF
BALL CORPORATION**

Name of Corporation: Ball Corporation, an Indiana corporation incorporated in Indiana on December 19, 1922
(the "Corporation").

1. The Articles of Correction are filed to correct the Amended Articles of Incorporation of Ball Corporation, filed in the Office of the Indiana Secretary of State on April 29, 1985, as have subsequently been amended to the date hereof, including as amended by Articles of Amendment filed earlier on the date hereof (as amended, the "Amended Articles of Incorporation").
2. These Articles of Correction are filed to correct incorrect statements,
3. Please find below the incorrect statements followed directly thereafter by the corrected statements.

Incorrect Statement in Article IV:

“ARTICLE IV

Principal Office and Resident Agent

The post office address of the principal office of the Corporation is 345 South High Street, Muncie, Indiana 47305; and the name and post-office address of its Resident Agent at the time of adoption of these Amended Articles is C T Corporation System, One North Capitol Avenue, Indianapolis, Indiana 46204.”

Corrected Statement:

“ARTICLE IV

Principal Office and Registered Agent

The address of the Corporation’s principal office and the address of the Corporation’s registered office and the name of its registered agent at that office in Indiana, as of the filing date of the Corporation’s last Biennial Report filed with the Indiana Secretary of State in accordance with Indiana Code Section 23-1-53-3, are as set forth in such report.”

Incorrect Statement in Article XI (as renumbered as a result of the Articles of Amendment filed earlier on the date hereof):

“ARTICLE XI

Names and Addresses of Directors

The names and post-office addresses of the Corporation’s Board of Directors holding office at the time of adoption of these Amended Articles are as follows:

Name	Number and Street	City and State
Howard M. Dean	3600 North River Road	Franklin Park, Illinois
John W. Fisher	345 South High Street	Muncie, Indiana
Richard M. Gillett	One Vandenberg Center	Grand Rapids, Michigan
Henry C. Goodrich	1900 Fifth Avenue, North	Birmingham, Alabama
A. Malcolm McVie	3731 Bay Road, North Drive	Indianapolis, Indiana
Robert H. Mohlman	3860 East 79th Street	Indianapolis, Indiana
Alvin M. Owsley, Jr.	3000 One Shell Plaza	Houston, Texas
William L. Peterson	345 South High Street	Muncie, Indiana
Richard M. Ringoen	345 South High Street	Muncie, Indiana
Delbert C. Staley	400 Westchester Avenue	White Plains, New York
William P. Stirtz	Checkerboard Square	St. Louis, Missouri

Corrected Statement:

**“ARTICLE XI
Names and Business Addresses of Directors**

The names and business addresses of the Corporation’s directors, as of the filing date of the Corporation’s last Biennial Report filed with the Indiana Secretary of State in accordance with Indiana Code Section 23-1-53-3, as set forth in such report.”

Incorrect Statement in Article XII (as renumbered as a result of the Articles of Amendment filed earlier on the date hereof):

“ARTICLE XII

**Names and Addresses of the Chairman of the Board,
the President and Chief Executive Officer,
and the Corporate Secretary**

The names and post-office addresses of the Corporation’s Chairman of the Board, the President and Chief Executive Officer, and the Corporate Secretary at the time of adoption of these Amended Articles are as follows:

Name	Number and Street	City and State
John W. Fisher Chairman of the Board	345 South High Street	Muncie, Indiana
Richard M. Ringoen President and Chief Executive Officer	345 South High Street	Muncie, Indiana
George A. Sissel Corporate Secretary	345 South High Street	Muncie, Indiana

Corrected Statement:

“ARTICLE XII

**Names and Business Addresses of the Secretary
and the Highest Executive Officer of the Corporation**

The names and business addresses of the Corporation’s secretary and the Corporation’s highest executive officer, as of the filing date of the Corporation’s last Biennial Report filed with the Indiana Secretary of State in accordance with Indiana Code Section 23-1-53-3, are as set forth in such report.”

4. The incorrect statements identified above are incorrect for the following reasons:

Article IV of the Amended Articles of Incorporation contains an inaccurate statement as it identifies the Corporation’s principal office as the prior location in Muncie, Indiana, and not the current location of the principal office at 10 Longs Peak Dr., Broomfield, Colorado 80021. The provision of the Amended Articles of Incorporation stating the location of the principal office dates back to the filing of amended articles of incorporation on April 29, 1985, under the prior corporate statute. Under the current applicable provisions of the Indiana Business Corporation Law, the term “principal office” means the office (in or out of Indiana) so designated in the annual or biennial report where the principal executive offices of the Corporation are located. IC 23-1-20-19. Under IC 23-1-53-3, the Corporation is required to deliver a biennial report to the Secretary of State setting forth the address of its principal office, as so defined, which the Corporation duly filed, identifying the current address of its principal office as noted above.

The portions of Articles IV, XI (as renumbered as a result of the Articles of Amendment filed earlier on the date hereof) and XII (as renumbered as a result of the Articles of Amendment filed earlier on the date hereof) identifying the names and relevant addresses of the Corporation’s resident agent (the term “registered” agent now being used under the Indiana Business Corporation Law), directors and officers, respectively, are likewise stale and inaccurate. The introductory language to the Amended Articles of Incorporation, as amended, provides that “[t]he exact text of the entire Amended Articles of Incorporation of the Corporation, as amended (hereinafter referred to as the “Amended Articles”), is as follows:” Notably, the definition of Amended Articles, as written, makes reference to subsequent text constituting the articles of incorporation; however that subsequent text was thereafter amended by several filed amendments. Therefore, the language within Articles IV, XI and XII referring to the “time of adoption of these Amended Articles” grammatically refers to certain provisions that were adopted at later dates, including the date of the last amendment of the Amended Articles of Incorporation. Thus, as of the date hereof, being the date of the last amendment to the Amended Articles of Incorporation, the information contained in Articles IV, XI and XII, as applicable, is incorrect.

The Corporation notes that it has on file with the Indiana Secretary of State (i) the correct address of the Corporation's principal office and the address of the Corporation's registered office and the name of its registered agent at that office in Indiana, (ii) correct names and business addresses of the Corporation's directors and (iii) correct names and business addresses of the Corporation's secretary and the Corporation's highest executive officer. In addition, the Corporation has filed with the U.S. Securities & Exchange Commission various periodic and other reports required by the Securities and Exchange Act of 1934, as amended, and the rules and regulations thereunder, which identify, as applicable, the address of the Corporation's principal executive office and the names of its then-current directors and officers.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, being a duly authorized officer acting for and on behalf of Ball Corporation, verifies and affirms, subject to the penalties of perjury, that the facts contained herein are true and has caused these Articles of Correction to be executed.

Dated this 26th day of June, 2015.

Ball Corporation, an Indiana corporation

By: /s/ Charles E. Baker
Printed: Charles E. Baker
Title: Vice President

ARTICLES OF AMENDMENT
of
THE AMENDED ARTICLES OF INCORPORATION
of
BALL CORPORATION
setting forth terms of
SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

Pursuant to the Indiana Business Corporation Law (the "IBCL"), Ball Corporation, an Indiana corporation (the "Corporation"), in accordance with the provisions of Section 23-1-25-2 of the IBCL, do hereby certify:

Article I.

The name of the corporation filing these Articles of Amendment is Ball Corporation.

Article II.

Article VI, Section A, Paragraph 3 of the Amended Articles of Incorporation of the Corporation, as last amended on June 24, 2005, is hereby amended and restated to read in its entirety as follows:

**Article VI
Terms of Capital Stock**

Section A. Designation of Classes and Number of Shares of Capital Stock

3. (Added by amendment on August 7, 2006)

Five hundred and fifty thousand (550,000) shares of Preferred Stock shall be designated as "Series A Junior Participating Preferred Stock" and shall have the preferences, limitations, and relative voting and other rights as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" and the number of shares constituting such series shall be 550,000.

Section 2. Dividends and Distributions.

(A) Subject to the prior and superior rights of the holders of any shares of any series of preferred stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the last day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$10.00 or (b) subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, without par value, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. In the event the Corporation shall at any time after July 26, 2006 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in Paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$10.00 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or, unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall if be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) (i) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) directors.

(ii) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of stock holders, provided that such voting right shall not be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the shareholders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) directors or, if such right is exercised at an annual meeting, to elect two (2) directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect directors in any default period and during the continuance of such period, the number of directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Junior Participating Preferred Stock.

(iii) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the President, a Vice President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this Paragraph (C)(iii) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last

address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than twenty (20) days and not later than sixty (60) days after such order or request or in default of the calling of such meeting within sixty (60) days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this Paragraph (C)(iii), no such special meeting shall be called during the period within sixty (60) days immediately preceding the date fixed for the next annual meeting of the stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of directors until the holders of Preferred Stock shall have exercised their right to elect two (2) directors voting as a class, after the exercise of which right (x) the directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in Paragraph (C)(ii) of this Section 3) be filled by vote of a majority of the remaining directors theretofore elected by the holders of the class of stock which elected the director whose office shall have become vacant. References in this Paragraph (C) to directors elected by the holders of a particular class of stock shall include directors elected by such directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect directors shall cease, (y) the term of any directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of directors shall be such number as may be provided for in the Amended Articles of Incorporation or Bylaws irrespective of any increase made pursuant to the provisions of Paragraph (C) (ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the Amended Articles of Incorporation or Bylaws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining directors.

(D) Except as set forth herein, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) forgoing any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) Declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock;

(ii) Declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) Redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Junior Participating Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and Equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under Paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5: Reacquired Shares. Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Winding Up.

(A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Preferred Stock shall have received an amount equal to \$1,000 per share of Series A Junior Participating Preferred Stock, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 1,000 (as appropriately adjusted as set forth in subparagraph (C) below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment respect of all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis; respectively.

(B) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient

assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Junior Participating Preferred Stock shall be redeemable at a price equal to the product of (a) the current market price of the Common Stock and (b) the Adjustment Number.

Section 9. Ranking. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock which may be issued from time to time as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Amendment. At any time when any shares of Series A Junior Participating Preferred Stock are outstanding, neither the Amended Articles of Incorporation of the Corporation nor these Preferences and Rights of Series A Junior Participating Preferred Stock shall be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

Section 11. Fractional Shares. Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

Article III.

These Articles of Amendment were duly authorized and adopted by the Board of Directors of the Corporation at a meeting duly called and held on July 26, 2006. Pursuant to Article VI, Section A, Paragraph 2 of the Amended Articles of Incorporation of the Corporation, as last amended on June 24, 2005, and Section 23-1-25-2 and Section 23-1-38-2 of the Corporation, these Articles of Amendment were adopted by the Board of Directors of the Corporation without shareholder action and no action by the Corporation's shareholders was required.

IN WITNESS WHEREOF, these Articles of Amendment are executed on behalf of the Corporation by its duly authorized officer this 7th day of August, 2006.

BALL CORPORATION

By: /s/ Charles Baker

Name: Charles E. Baker

Title: Vice President, General Counsel and Assistant
Corporate Secretary

Adopted on April 23, 1985,
as amended on July 22, 1986,
April 26, 1988,
June 29, 1989 and
November 26, 1990
August 2, 1996
April 23, 2003
June 24, 2005

**AMENDED ARTICLES OF INCORPORATION
OF
BALL CORPORATION**

The exact text of the entire Amended Articles of Incorporation of the Corporation, as amended (hereinafter referred to as the "Amended Articles"), is as follows:

ARTICLE I

Name

The name of the Corporation is Ball Corporation.

ARTICLE II

Purpose

The purpose for which the Corporation is formed is to engage in the transaction of any or all lawful business which may be conducted, or for which corporations may be incorporated under The Indiana General Corporation Act.

ARTICLE III

Term of Existence

The period during which the Corporation shall continue is perpetual.

ARTICLE IV
Principal Office and Resident Agent

The post-office address of the principal office of the Corporation is 345 South High Street, Muncie, Indiana 47305; and the name and post-office address of its Resident Agent at the time of adoption of these Amended Articles is C T Corporation System, One North Capitol Avenue, Indianapolis, Indiana 46204.

ARTICLE V
Amount of Capital Stock

The total number of shares into which the authorized capital stock of the Corporation is divided is five hundred sixty-five million (565,000,000) shares without par value.

ARTICLE VI
Terms of Capital Stock

Section A. Designation of Classes and Number of Shares of Capital Stock

1. Five hundred fifty million (550,000,000) shares of the authorized capital stock without par value shall be known as Common Stock. The shares of Common Stock shall be identical with each other in all respects.

2. Fifteen million (15,000,000) shares of the authorized capital stock without par value shall be known as Preferred Stock. The shares of Preferred Stock may be issued in one or more series. The Board of Directors shall have the authority to determine and state the designations and the relative rights (including, if any, conversion rights, participation rights, voting rights, dividend rights, and stated, redemption and liquidation values), preferences, limitations and restrictions of each such series by the adoption of resolutions prior to the issuance of each such series authorizing the issuance of such series. All shares of Preferred Stock of the same series shall be identical with each other in all respects.

3. (Added by amendment on August 2, 1996)

One hundred twenty thousand (120,000) shares of Preferred Stock shall be designated as "Series A Junior Participating Preferred Stock" and shall have preferences, limitations, and relative voting and other rights as follows:

(A) Dividends and Distributions.

(1) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the last day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$0.01 or (b) subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all noncash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, without par value, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. In the event the Corporation shall at any time after January 24, 1996 (the "Rights Declaration Date") (a) declare any dividend on Common Stock payable in shares of Common Stock,

(b) subdivide the outstanding Common Stock, or (c) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(2) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in paragraph (1) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$0.01 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(3) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which event such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

(B) Voting Rights. The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(1) Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the shareholders of the Corporation. In the event the Corporation shall at any time after the Rights Declaration Date (a) declare any dividend on Common Stock payable in shares of Common Stock, (b) subdivide the outstanding Common Stock, or (c) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(2) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of shareholders of the Corporation.

(3) (a) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a “default period”) which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) directors.

(b) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (3)(c) of this Section (B) or at any annual meeting of shareholders, and thereafter at annual meetings of shareholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of directors shall be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) directors or, if such right is exercised at an annual meeting, to elect two (2) directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect directors in any default period and during the continuance of such period, the number of directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Junior Participating Preferred Stock.

(c) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect directors, the Board of Directors may order, or any shareholder or shareholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the President, a Vice President or the Corporate Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this subparagraph (3) (c) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any shareholder or shareholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this subparagraph (3)(c), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of shareholders.

(d) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of directors until the holders of Preferred Stock shall have exercised their right to elect two (2) directors voting as a class, after the exercise of which right (x) the directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may, except as provided in subparagraph (3)(b) of this Section (B), be filled by vote of a majority of the remaining directors theretofore elected by the holders of the class of stock which elected the director whose office shall have become vacant. References in this paragraph (3) to directors elected by the holders of a particular class of stock shall include directors elected by such directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(e) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect directors shall cease, (y) the term of any directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of directors shall be such

number as may be provided for in these Amended Articles or the Bylaws irrespective of any increase made pursuant to the provisions of subparagraph (3)(b) of this Section (B) (such number being subject, however, to change thereafter in any manner provided by law or in these Amended Articles or the Bylaws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining directors.

(4) Except as set forth herein, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

(C) Certain Restrictions.

(1) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section (A) are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(a) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock;

(b) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(c) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Junior Participating Preferred Stock; or

(d) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series of classes.

(2) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (1) of this Section (C), purchase or otherwise acquire such shares at such time and in such manner.

(D) Reacquired Shares. Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

(E) Liquidation, Dissolution or Winding Up.

(1) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Preferred Stock shall have received \$1,000 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (a) the Series A Liquidation Preference by (b) 1,000 (as appropriately adjusted as set forth in subparagraph (3) below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (c), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect to all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(2) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of Preferred Stock, if any, which rank on a parity with the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(3) In the event the Corporation shall at any time after the Rights Declaration Date (a) declare any dividend on Common Stock payable in shares of Common Stock, (b) subdivide the outstanding Common Stock, or (c) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(F) Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (a) declare any dividend on Common Stock payable in shares of Common Stock, (b) subdivide the outstanding Common Stock, or (c) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(G) Redemption. The shares of Series A Junior Participating Preferred Stock shall be redeemable at a price equal to the product of (a) the current market price of the Common Stock and (b) the Adjustment Number.

(H) Ranking. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

(I) Amendment. The Amended Articles of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

(J) Fractional Shares. Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

4. (Added by amendment on June 29, 1989)

Two million one hundred thousand (2,100,000) shares of Preferred Stock shall be designated as "Series B ESOP Convertible Preferred Stock" and shall have preferences, limitations, and relative voting and other rights as follows:

Section 1. Designation and Amount; Special Purpose Restricted Transfer Issue

(A) The shares of such series shall be designated "Series B ESOP Convertible Preferred Stock" (such series being hereinafter sometimes called the "Series B Preferred Stock"), and the number of shares constituting such series shall initially be 2,100,000. Each share of Series B Preferred Stock shall have a stated value of \$36.75.

(B) Shares of Series B Preferred Stock shall be issued only to Mellon Bank, N.A., as trustee (the "Trustee") of the Ball Corporation Salary Conversion Plan for Salaried Employees, as amended from time to time, or any successor to such plan (the "Plan"), including the employee stock ownership plan component of the Plan (the "ESOP"). All references to the holder of the Series B Preferred Stock shall mean the Trustee or any corporation with which or into which the Trustee may merge or any successor trustee under the trust agreement with respect to the Plan. In the event of any transfer of record ownership of shares of Series B Preferred Stock to any person other than any successor trustee under the Plan, the shares of Series B Preferred Stock so transferred, upon such transfer and without any further action by the Corporation or the holder thereof, shall be automatically converted into shares of Common Stock (as defined in paragraph (B) of Section 11 hereof) on the terms otherwise provided for the conversion of shares of Series B Preferred Stock into shares of Common Stock pursuant to Section 5 hereof and no such transferee shall have any of the voting powers, preferences and relative, participating, optional or special rights ascribed to shares of Series B Preferred Stock hereunder but, rather, only the powers and rights pertaining to the Common Stock into which such shares of Series B Preferred Stock shall be so converted. In the event of such a conversion, the transferee of the shares of Series B Preferred Stock shall be treated for all purposes as the record holder of the shares of Common Stock into which such shares of Series B Preferred Stock have been automatically converted as of the date of such transfer. Certificates representing shares of Series B Preferred Stock shall bear a legend to reflect the foregoing provisions. Notwithstanding the foregoing provisions of this paragraph (B) of Section 1, shares of Series B Preferred Stock (i) may be converted into shares of Common Stock as provided by Section 5 hereof and the shares of Common Stock issued upon such conversion may be transferred by the holder thereof as permitted by law and (ii) shall be redeemable by the Corporation upon the terms and conditions provided by Sections 6, 7 and 8 hereof.

Section 2. Dividends and Distributions

(A) Subject to the provisions for adjustment hereinafter set forth, the holders of shares of Series B Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation (the "Board of Directors") out of funds legally available

therefor, cash dividends (“Preferred Dividends”) at the rate of \$2.76 per share per annum, payable semiannually in arrears, one-half on the 15th day of December and one-half on the 15th day of June of each year (each a “Dividend Payment Date”) commencing on December 15, 1989, to holders of record at the start of business on such Dividend Payment Date. In the event that any Dividend Payment Date shall fall on any day other than a “Business Day” (as defined in paragraph (G) of Section 9 hereof), the dividend payment due on such Dividend Payment Date shall be paid on the Business Day immediately following such Dividend Payment Date. Preferred Dividends shall begin to accrue on outstanding shares of Series B Preferred Stock from the date of issuance of such shares of Series B Preferred Stock. Preferred Dividends shall accrue on a daily basis whether or not during such semiannual period there shall be funds legally available therefor, but Preferred Dividends accrued on the shares of Series B Preferred Stock for any period less than a full semiannual period between Dividend Payment Dates (or, in the case of the first dividend payment, from the date of issuance of the shares of Series B Preferred Stock through the first Dividend Payment Date) shall be computed on the basis of a 360-day year of 30-day months. Accrued but unpaid Preferred Dividends shall cumulate as of the Dividend Payment Date on which they first become payable, but no interest shall accrue on accumulated but unpaid Preferred Dividends.

(B) So long as any shares of Series B Preferred Stock shall be outstanding, no dividend shall be declared or paid or set apart for payment on any other series of stock ranking on a parity with the Series B Preferred Stock as to dividends, unless there shall also be or have been declared and paid or set apart for payment on the Series B Preferred Stock dividends for all dividend payment periods of the Series B Preferred Stock ending on or before the dividend payment date of such parity stock, ratably in proportion to the respective amounts of dividends accumulated and unpaid through such dividend period on the Series B Preferred Stock and accumulated and unpaid on such parity stock through the dividend payment period on such parity stock next preceding such dividend payment date. In the event that full cumulative dividends on the Series B Preferred Stock have not been declared and paid or set apart for payment when due, the Corporation shall not declare or pay or set apart for payment any dividends or make any other distributions on, or make any payment on account of the purchase, redemption or other retirement of any other class of stock or series thereof of the Corporation ranking, as to dividends or as to distributions in the event of a liquidation, dissolution or winding up of the Corporation, junior to the Series B Preferred Stock until full cumulative dividends on the Series B Preferred Stock shall have been paid or declared and set apart for payment; *provided, however*, that the foregoing shall not apply to (i) any dividend payable solely in any shares of any stock ranking, as to dividends and as to distributions in the event of a liquidation, dissolution or winding up of the Corporation, junior to the Series B Preferred Stock or (ii) the acquisition of shares of any stock ranking, as to dividends or as to distributions in the event of a liquidation, dissolution or winding up of the Corporation, junior to the Series B Preferred Stock in exchange solely for shares of any other stock ranking, as to dividends and as to distributions in the event of a liquidation, dissolution or winding up of the Corporation, junior to the Series B Preferred Stock.

Section 3. Voting Rights

The holders of shares of Series B Preferred Stock shall have the following voting rights:

(A) The holders of shares of Series B Preferred Stock shall be entitled to vote on all matters submitted to a vote of the shareholders of the Corporation, voting together with the holders of Common Stock as one class. The holders of shares of Series B Preferred Stock initially shall be entitled to 1.30 votes per share (the “Initial Vote”), *provided* in the event of a “Regulatory Determination”, as defined below, with respect to the Initial Vote, the Initial Vote shall be reduced to one vote per share. In the event that the “Conversion Price”, as defined in Section 5 hereof, is adjusted as provided in Subsection 9(A) or (B) hereof, each share of Series B Preferred Stock shall be entitled to a vote equal to the vote to which it was entitled immediately prior to such adjustment, multiplied by the inverse of the fraction by which the Conversion Price is to be multiplied pursuant to such subsection, subject to a Regulatory Determination. In the event of any other adjustment to the Conversion Price hereunder, each share of Series B Preferred Stock shall be entitled to a number of votes equal to the higher of (i) the number of shares of Common Stock into which such share of Series B Preferred Stock could be converted subsequent to such adjustment and (ii) the number of

votes to which it was entitled immediately prior to such adjustment, subject to a Regulatory Determination. In the event of a Regulatory Determination with respect to the voting rights of a share of Series B Preferred Stock as adjusted pursuant to the preceding two sentences, the number of votes per share of Series B Preferred Stock shall only be adjusted to the highest vote per share which would not result in a Regulatory Determination. The term "Regulatory Determination" refers to a determination by the Corporation that the number of votes to be accorded to each share of Series B Preferred Stock hereunder would create a material risk that the Common Stock would no longer be eligible for trading on the New York Stock Exchange ("NYSE") or otherwise not be permitted by applicable rules and regulations of the Securities and Exchange Commission or the NYSE.

(B) Except as otherwise required by law or set forth herein, holders of Series B Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for the taking of any corporate action.

Section 4. Liquidation, Dissolution or Winding Up

(A) In the event of any liquidation, dissolution or winding up of the Corporation, voluntary or involuntary, the holders of Series B Preferred Stock shall be entitled to receive out of assets of the Corporation which remain after satisfaction in full of all valid claims of creditors of the Corporation and which are available for payment to shareholders, and subject to the rights of the holders of any stock of the Corporation ranking senior to or on a parity with the Series B Preferred Stock in respect of distributions upon liquidation, dissolution or winding up of the Corporation, before any amount shall be paid to or distributed among the holders of Common Stock or any other shares ranking junior to the Series B Preferred Stock in respect of distributions upon liquidation, dissolution or winding up of the Corporation, liquidating distributions in the amount of \$36.75 per share, plus an amount equal to all accrued and unpaid dividends thereon to the date fixed for distribution, and no more. If upon any liquidation, dissolution or winding up of the Corporation, the amounts payable with respect to the Series B Preferred Stock and any other stock ranking as to any such distribution on a parity with the Series B Preferred Stock are not paid in full, the holders of Series B Preferred Stock and such other stock shall share ratably in any distribution of assets in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount to which they are entitled as provided by the foregoing provisions of this paragraph 4(A), the holders of Series B Preferred Stock shall not be entitled to any further right or claim to any of the remaining assets of the Corporation.

(B) Neither the merger or consolidation of the Corporation with or into any other corporation, nor the merger or consolidation of any other corporation with or into the Corporation, nor the sale, lease, exchange or other transfer of all or any portion of the assets of the Corporation, shall be deemed to be a dissolution, liquidation or winding up of the affairs of the Corporation for purposes of this Section 4, but the holders of Series B Preferred Stock shall nevertheless be entitled in the event of any such merger or consolidation to the rights provided by Section 8 hereof.

(C) Written notice of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, stating the payment date or dates when, and the place or places where, the amounts distributable to holders of Series B Preferred Stock in such circumstances shall be payable, shall be given by hand delivery, by courier, by standard form of telecommunication or by first-class mail (postage prepaid), delivered, sent or mailed, as the case may be, not less than twenty (20) days prior to any payment date stated therein, to the holders of Series B Preferred Stock, at the address shown on the books of the Corporation or any transfer agent for the Series B Preferred Stock.

Section 5. Conversion into Common Stock

(A) A holder of shares of Series B Preferred Stock shall be entitled, at any time prior to the close of business on the date fixed for redemption of such shares pursuant to Section 6, 7 or 8 hereof, to cause any or all of such shares to be converted into shares of Common Stock, initially at a conversion price equal to \$36.75 per share of Common Stock, with each share of

Series B Preferred Stock being valued at \$36.75 for such purpose, and which price shall be adjusted as provided in Section 9 hereof (and, as so adjusted, is hereinafter sometimes referred to as the "Conversion Price") (that is, a conversion rate initially equivalent to one share of Common Stock for each share of Series B Preferred Stock so converted, subject to adjustment as the Conversion Price is adjusted as provided in Section 9 hereof).

(B) Any holder of shares of Series B Preferred Stock desiring to convert such shares into shares of Common Stock shall surrender the certificate or certificates representing the shares of Series B Preferred Stock being converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto), at the principal executive office of the Corporation or the offices of any transfer agent for the Series B Preferred Stock or such office or offices in the continental United States of an agent for conversion as may from time to time be designated by notice to the holders of the Series B Preferred Stock by the Corporation or any transfer agent for the Series B Preferred Stock, accompanied by written notice of conversion. Such notice of conversion shall specify (i) the number of shares of Series B Preferred Stock to be converted and the name or names in which such holder wishes the certificate or certificates for Common Stock and for any shares of Series B Preferred Stock not to be so converted to be issued and (ii) the address to which such holder wishes new certificates issued upon such conversion to be delivered.

(C) Upon surrender of a certificate representing a share or shares of Series B Preferred Stock for conversion, the Corporation shall issue and send by hand delivery, by courier or by first-class mail (postage prepaid), to the holder thereof or to such holder's designee, at the address designated by such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled upon conversion. In the event that there shall have been surrendered a certificate or certificates representing shares of Series B Preferred Stock, only part of which are to be converted, the Corporation shall issue and send to such holder or such holder's designee, in the manner set forth in the preceding sentence, a new certificate or certificates representing the number of shares of Series B Preferred Stock which shall not have been converted.

(D) The issuance by the Corporation of shares of Common Stock upon a conversion of shares of Series B Preferred Stock into shares of Common Stock made at the option of the holder thereof shall be effective as of the earlier of (i) the delivery to such holder or such holder's designee of the certificates representing the shares of Common Stock issued upon conversion thereof or (ii) the commencement of business on the second Business Day after the surrender of the certificate or certificates for the shares of Series B Preferred Stock to be converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) and accompanied by all documentation required to effect the conversion, as herein provided. On and after the effective date of conversion, the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock, but no allowance or adjustment shall be made in respect of dividends payable to holders of Common Stock in respect of any period prior to such effective date. The Corporation shall not be obligated to pay any dividends which shall have been declared and shall be payable to holders of shares of Series B Preferred Stock on a Dividend Payment Date if such Dividend Payment Date for such dividend is subsequent to the effective date of conversion of such shares.

(E) The Corporation shall not be obligated to deliver to holders of Series B Preferred Stock any fractional share or shares of Common Stock issuable upon any conversion of such shares of Series B Preferred Stock, but in lieu thereof may make a cash payment in respect thereof in any manner permitted by law.

(F) Out of its authorized Common Stock the Corporation shall at all times reserve and keep available unissued or treasury shares solely for issuance upon the conversion of shares of Series B Preferred Stock as herein provided, free from any preemptive rights, in such number as shall from time to time be issuable upon the conversion of all the shares of Series B Preferred Stock then outstanding. Nothing contained herein shall preclude the Corporation from issuing shares of Common Stock held in its treasury upon the conversion of shares of Series B Preferred Stock into Common Stock pursuant to the terms hereof. The Corporation shall prepare

and shall use its best efforts to obtain and keep in force such governmental or regulatory permits or other authorizations as may be required by law, and shall comply with all requirements as to registration or qualification of the Common Stock, in order to enable the Corporation lawfully to issue and deliver to each holder of record of Series B Preferred Stock such number of shares of its Common Stock as shall from time to time be sufficient to effect the conversion of all shares of Series B Preferred Stock then outstanding and convertible into shares of Common Stock.

Section 6. Redemption At the Option of the Corporation

(A) The Series B Preferred Stock shall be redeemable, in whole or in part, (i) at the option of the Corporation at any time after June 29, 1999, at \$36.75 per share, plus an amount equal to all accrued and unpaid dividends thereon to the date fixed for redemption and (ii) as otherwise permitted by this Section 6. Payment of the redemption price shall be made by the Corporation in cash or shares of Common Stock, or a combination thereof, as permitted by paragraph (F) of this Section 6. From and after the date fixed for redemption, dividends on shares of Series B Preferred Stock called for redemption will cease to accrue, such shares of Series B Preferred Stock will no longer be deemed to be outstanding and all rights in respect of such shares of Series B Preferred Stock shall cease, except the right to receive the redemption price. If less than all of the outstanding shares of Series B Preferred Stock are to be redeemed, the Corporation shall either redeem a portion of the shares of Series B Preferred Stock of each holder determined pro rata based on the number of shares of Series B Preferred Stock held by each holder or shall select the shares of Series B Preferred Stock to be redeemed by lot, as may be determined by the Board of Directors.

(B) Unless otherwise required by law, notice of redemption will be sent to the holders of Series B Preferred Stock at the address shown on the books of the Corporation or any transfer agent for the Series B Preferred Stock by hand delivery, by courier, by any standard form of telecommunications or by first-class mail (postage prepaid), delivered, sent or mailed, as the case may be, not less than fifteen (15) days nor more than sixty (60) days prior to the redemption date. Each such notice shall state: (i) the redemption date; (ii) the total number of shares of Series B Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares of Series B Preferred Stock to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where certificates for such shares of Series B Preferred Stock are to be surrendered for payment of the redemption price; (v) that dividends on the shares of Series B Preferred Stock to be redeemed will cease to accrue on such redemption date; and (vi) the conversion rights of the shares of Series B Preferred Stock to be redeemed, the period within which conversion rights may be exercised, and the Conversion Price and number of shares of Common Stock issuable upon conversion of a share of Series B Preferred Stock at the time. Upon surrender of the certificate for any shares of Series B Preferred Stock so called for redemption and not previously converted (properly endorsed or assigned for transfer, if the Board of Directors shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the date fixed for redemption and at the redemption price set forth in this Section 6.

(C) In the event (i) of a change in any statute, rule or regulation of the United States of America which (x) has the effect of limiting or making unavailable to the Corporation all or any of the tax deductions for amounts paid (including dividends) on the shares of Series B Preferred Stock when such amounts are used as provided under Section 404(k)(2) of the Internal Revenue Code of 1986, as amended and in effect on the date shares of Series B Preferred Stock are initially issued, or (y) relates, directly or indirectly, to the ESOP and adversely affects the Corporation, (ii) that shares of Series B Preferred Stock are held by an employee benefit plan intended to qualify as an employee stock ownership plan within the meaning of Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), and such plan does not so qualify, or (iii) that the Corporation, in good faith after consultation with counsel to the Corporation, determines that the voting provisions contained herein are not in compliance with Rule 19c-4 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Corporation may, in its sole discretion and notwithstanding anything to the contrary in paragraph (A) of this Section 6, elect to redeem any or all of such shares of Series B Preferred Stock for \$36.75 per share, plus an amount equal to all accrued and unpaid dividends

thereon to the date fixed for redemption. Except with respect to the redemption price, such redemption shall be effected as provided in paragraphs (A), (B) and (F) of this Section 6.

(D) In the event that the Plan is terminated or the ESOP is terminated or eliminated from the Plan in accordance with its terms, and notwithstanding anything to the contrary in paragraph (A) of this Section 6, the Corporation shall, as soon thereafter as practicable, call for redemption all then outstanding shares of Series B Preferred Stock at the following redemption prices per share:

During the Twelve- Month Period Beginning June 29	Price Per Share
1989	\$ 39.510
1990	39.234
1991	38.958
1992	38.682
1993	38.406
1994	38.130
1995	37.854
1996	37.578
1997	37.302
1998	37.026

Except with respect to the redemption price, such redemption shall be effected as provided in paragraphs (A), (B) and (F) of this Section 6.

(E) Notwithstanding anything to the contrary in paragraph (A) of this Section 6, upon the termination of a Plan participant's employment with the Corporation, the Corporation may elect to redeem any or all shares of Series B Preferred Stock held for the account of such participant at a redemption price equal to the higher of (i) \$36.75 per share, plus an amount equal to all accrued and unpaid dividends thereon to the date fixed for redemption or (ii) the Fair Market Value (as defined in paragraph (G) of Section 9 hereof) of the shares of Common Stock which would be issuable upon the conversion of the shares of Series B Preferred Stock being redeemed, plus accrued and unpaid dividends (the "Consideration Price"). Except with respect to the redemption price, such redemption shall be effected as provided in paragraphs (A), (B) and (F) of this Section 6.

(F) The Corporation, at its option, may make payment of the redemption price required upon redemption of shares of Series B Preferred Stock in cash or in shares of Common Stock, or in a combination of such shares and cash, any such shares of Common Stock to be valued for such purposes at their Fair Market Value.

Section 7. Other Redemption Rights

Shares of Series B Preferred Stock shall be redeemed by the Corporation for cash or, if the Corporation so elects, in shares of Common Stock, or a combination of such shares of Common Stock and cash, any such shares of Common Stock to be valued for such purpose at their Fair Market Value, at a redemption price equal to the higher of (i) \$36.75 per share plus accrued and unpaid dividends thereon to the date fixed for redemption or (ii) the Consideration Price, at the option of the holder, at any time and from time to time upon notice to the Corporation given not less than five (5) Business Days prior to the date fixed by the holder in such notice for such redemption, upon certification by such holder to the Corporation: (i) when and to the extent necessary for such holder to provide for distributions required to be made to participants under, or to satisfy an investment election provided to participants in accordance with, the Plan; or (ii) in the event that the Plan is not initially determined by the Internal Revenue Service to be qualified within the meaning of §401(a) and 4975(e)(7) of the Code.

Section 8. Consolidation, Merger, etc.

(A) In the event that the Corporation shall consummate any consolidation or merger or similar business combination, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged solely for or changed, reclassified or converted solely into stock of any successor or resulting corporation (including the Corporation) that constitutes

“qualifying employer securities” with respect to a holder of Series B Preferred Stock within the meaning of Section 409(1) of the Code and Section 407(d)(5) of the Employee Retirement Income Security Act of 1974, as amended, or any successor provisions of law, and, if applicable, for a cash payment in lieu of fractional shares, if any, the shares of Series B Preferred Stock of such holder shall, in connection with such consolidation, merger or similar business combination, be assumed by and shall become preferred stock of such successor or resulting corporation, having in respect of such corporation, insofar as possible, the same powers, preferences and relative, participating, optional or other special rights (including the redemption rights provided by Sections 6, 7 and 8 hereof), and the qualifications, limitations or restrictions thereon, that the Series B Preferred Stock had immediately prior to such transaction, except that after such transaction each share of Series B Preferred Stock shall be convertible, otherwise on the terms and conditions provided by Section 5 hereof, into the number and kind of qualifying employer securities so receivable by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock could have been converted immediately prior to such transaction; *provided, however,* that if by virtue of the structure of such transaction, a holder of Common Stock is required to make an election with respect to the nature and kind of consideration to be received in such transaction, which election cannot practicably be made by the holder of the shares of Series B Preferred Stock, then the shares of Series B Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in kind) receivable by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any rights of election to receive any kind or amount of stock, securities, cash or other property (other than such qualifying employer securities and a cash payment, if applicable, in lieu of fractional shares), receivable upon such transaction (provided that, if the kind or amount of qualifying employer securities receivable upon such transaction is not the same for each non-electing share, then the kind and amount so receivable upon such transaction for each non-electing share shall be the kind and amount so receivable per share by the plurality of the non-electing shares). The rights of the Series B Preferred Stock as preferred stock of such successor or resulting corporation shall successively be subject to adjustments pursuant to Sections 3 and 9 hereof after any such transaction as nearly equivalent as practicable to the adjustment provided for by such sections prior to such transaction. The Corporation shall not consummate any such merger, consolidation or similar transaction unless all then outstanding shares of Series B Preferred Stock shall be assumed and authorized by the successor or resulting corporation as aforesaid.

(B) In the event that the Corporation shall consummate any consolidation or merger or similar business combination, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged for or changed, reclassified or converted into other stock or securities or cash or any other property, or any combination thereof, other than any such consideration which is constituted solely of qualifying employer securities (as referred to in paragraph (A) of this Section 8) and cash payments, if applicable, in lieu of fractional shares, outstanding shares of Series B Preferred Stock shall, without any action on the part of the Corporation or any holder thereof (but subject to paragraph (C) of this Section 8), be automatically converted by virtue of such merger, consolidation or similar transaction immediately prior to such consummation into the number of shares of Common Stock into which such shares of Series B Preferred Stock could have been converted at such time so that each share of Series B Preferred Stock shall by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in like kind) receivable by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock could have been converted immediately prior to such transaction; *provided, however,* that if by virtue of the structure of such transaction, a holder of Common Stock is required to make an election with respect to the nature and kind of consideration to be received in such transaction, which election cannot practicably be made by the holder of the shares of Series B Preferred Stock, then the shares of Series B Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in kind) receivable by a holder of the number of shares of Common Stock into which such

shares of Series B Preferred Stock could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any rights of election as to the kind or amount of stock, securities, cash or other property receivable upon such transaction (provided that, if the kind or amount of stock, securities, cash or other property receivable upon such transaction is not the same for each non-electing share, then the kind and amount of stock, securities, cash or other property receivable upon such transaction for each non-electing share shall be the kind and amount so receivable per share by a plurality of the non-electing shares).

(C) In the event the Corporation shall enter into any agreement providing for any consolidation or merger or similar business combination described in paragraph (B) of this Section 8, then the Corporation shall as soon as practicable thereafter (and in any event at least ten (10) Business Days before consummation of such transaction) give notice of such agreement and the material terms thereof to each holder of shares of Series B Preferred Stock and each such holder shall have the right to elect, by written notice to the Corporation, to receive, upon consummation of such transaction (if and when such transaction is consummated), from the Corporation or the successor of the Corporation, in redemption and retirement of such Series B Preferred Stock, a cash payment equal to the following amount per share:

During the Twelve- Month Period Beginning June 29	Price Per Share
1989	\$ 39.510
1990	39.234
1991	38.958
1992	38.682
1993	38.406
1994	38.130
1995	37.854
1996	37.578
1997	37.302
1998	37.026

No such notice of redemption shall be effective unless given to the Corporation prior to the close of business on the fifth Business Day prior to consummation of such transaction, unless the Corporation or the successor of the Corporation shall waive such prior notice, but any notice of redemption so given prior to such time may be withdrawn by notice of withdrawal given to the Corporation prior to the close of business on the fifth business day prior to consummation of such transaction.

Section 9. Anti-dilution Adjustments

(A) In the event the Corporation shall, at any time or from time to time while any of the shares of Series B Preferred Stock are outstanding, (i) pay a dividend or make a distribution in respect of the Common Stock in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, in each case whether by reclassification of shares, recapitalization of the Corporation (including a recapitalization effected by a merger or consolidation to which Section 8 hereof does not apply) or otherwise, subject to the provisions of paragraphs (E) and (F) of this Section 9, the Conversion Price in effect immediately prior to such action shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately before such event, and the denominator of which is the number of shares of Common Stock outstanding immediately after such event. An adjustment made pursuant to this paragraph 9(A) shall be given effect, upon payment of such a dividend or distribution, as of the record date for the determination of stockholders entitled to receive such dividend or distribution (on a retroactive basis) and in the case of a subdivision or combination shall become effective immediately as of the effective date thereof.

(B) In the event that the Corporation shall, at any time or from time to time while any of the shares of Series B Preferred Stock are outstanding, issue to holders of shares of Common Stock as a dividend or distribution, including by way of a reclassification of shares or a recapitalization of the Corporation, any right or warrant to purchase shares of Common Stock (but

not including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock) at a purchase price per share less than the Fair Market Value (as defined in paragraph (G) of this Section 9) of a share of Common Stock on the date of issuance of such right or warrant, then, subject to paragraphs (E) and (F) of this Section 9, the Conversion Price shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately before such issuance of rights or warrants plus the number of shares of Common Stock which could be purchased at the Fair Market Value of a share of Common Stock at the time of such issuance for the maximum aggregate consideration payable upon exercise in full of all such rights or warrants, and the denominator of which shall be the number of shares of Common Stock outstanding immediately before such issuance of rights or warrants plus the maximum number of shares of Common Stock that could be acquired upon exercise in full of all such rights and warrants.

(C) In the event the Corporation shall, at any time or from time to time while any of the shares of Series B Preferred Stock are outstanding, issue, sell or exchange shares of Common Stock (other than pursuant to any right or warrant to purchase or acquire shares of Common Stock [including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock] and other than pursuant to any employee or director incentive or benefit plan or arrangement, including any employment, severance or consulting agreement, of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted) for a consideration having a Fair Market Value, on the date of such issuance, sale or exchange, less than the Fair Market Value of such shares on the date of issuance, sale or exchange, then, subject to paragraphs (E) and (F) of this Section 9, the Conversion Price shall be adjusted by multiplying such Conversion Price by a fraction the numerator of which shall be the sum of (i) the Fair Market Value of all the shares of Common Stock outstanding on the day immediately preceding the first public announcement of such issuance, sale or exchange plus (ii) the Fair Market Value of the consideration received by the Corporation in respect of such issuance, sale or exchange of shares of Common Stock, and the denominator of which shall be the product of (a) the Fair Market Value of a share of Common Stock on the day immediately preceding the first public announcement of such issuance, sale or exchange multiplied by (b) the sum of the number of shares of Common Stock outstanding on such day plus the number of shares of Common Stock so issued, sold or exchanged by the Corporation. In the event the Corporation shall, at any time or from time to time while any shares of Series B Preferred Stock are outstanding, issue, sell or exchange any right or warrant to purchase or acquire shares of Common Stock (including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock), other than any such issuance to holders of shares of Common Stock as a dividend or distribution (including by way of a reclassification of shares or a recapitalization of the Corporation) and other than pursuant to any employee or director incentive or benefit plan or arrangement (including any employment, severance or consulting agreement) of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted, for a consideration having a Fair Market Value, on the date of such issuance, sale or exchange, less than the Non-Dilutive Amount (as hereinafter defined), then, subject to paragraphs (E) and (F) of this Section 9, the Conversion Price shall be adjusted by multiplying such Conversion Price by a fraction the numerator of which shall be the sum of (i) the Fair Market Value of all the shares of Common Stock outstanding on the day immediately preceding the first public announcement of such issuance, sale or exchange plus (ii) the Fair Market Value of the consideration received by the Corporation in respect of such issuance, sale or exchange of such right or warrant plus (iii) the Fair Market Value at the time of such issuance of the consideration which the Corporation would receive upon exercise in full of all such rights or warrants, and the denominator of which shall be the product of (i) the Fair Market Value of a share of Common Stock on the day immediately preceding the first public announcement of such issuance, sale or exchange multiplied by (ii) the sum of the number of shares of Common Stock outstanding on such day plus the maximum number of shares of Common Stock which could be acquired pursuant to such right or warrant at the time of the issuance, sale or exchange of such right or warrant (assuming shares of Common Stock could be acquired pursuant to such right or warrant at such time).

(D) In the event the Corporation shall, at any time or from time to time while any of the shares of Series B Preferred Stock are outstanding, make an Extraordinary Distribution (as defined in paragraph (G) of this Section 9) in respect of the Common Stock, whether by dividend, distribution, reclassification of shares or recapitalization of the Corporation (including a recapitalization or reclassification effected by a merger or consolidation to which Section 8 hereof does not apply) or effect a Pro Rata Repurchase (as defined in paragraph (G) of this Section 9) of Common Stock, the Conversion Price in effect immediately prior to such Extraordinary Distribution or Pro Rata Repurchase shall, subject to paragraphs (E) and (F) of this Section 9, be adjusted by multiplying such Conversion Price by a fraction the numerator of which is the difference between (i) the product of (x) the number of shares of Common Stock outstanding immediately before such Extraordinary Distribution or Pro Rata Repurchase multiplied by (y) the Fair Market Value of a share of Common Stock on the day before the ex-dividend date with respect to an Extraordinary Distribution which is paid in cash and on the distribution date with respect to an Extraordinary Distribution which is paid other than in cash, or on the applicable expiration date (including all extensions thereof) of any tender offer which is a Pro Rata Repurchase, or on the date of purchase with respect to any Pro Rata Repurchase which is not a tender offer, as the case may be, and (ii) the Fair Market Value of the Extraordinary Distribution or the aggregate purchase price of the Pro Rata Repurchase, as the case may be, and the denominator of which shall be the product of (a) the number of shares of Common Stock outstanding immediately before such Extraordinary Dividend or Pro Rata Repurchase minus, in the case of a Pro Rata Repurchase, the number of shares of Common Stock repurchased by the Corporation multiplied by (b) the Fair Market Value of a share of Common Stock on the day before the ex-dividend date with respect to an Extraordinary Distribution which is paid in cash and on the distribution date with respect to an Extraordinary Distribution which is paid other than in cash, or on the applicable expiration date (including all extensions thereof) of any tender offer which is a Pro Rata Repurchase or on the date of purchase with respect to any Pro Rata Repurchase which is not a tender offer, as the case may be. The Corporation shall send each holder of Series B Preferred Stock (i) notice of its intent to make any dividend or distribution and (ii) notice of any offer by the Corporation to make a Pro Rata Repurchase, in each case at the same time as, or as soon as practicable after, such offer is first communicated (including by announcement of a record date in accordance with the rules of any stock exchange on which the Common Stock is listed or admitted to trading) to holders of Common Stock; *provided*, the Corporation shall give such holders notice of any dividend or distribution no later than the date upon which it is required to give notice to any stock exchange, or in the event notice to any stock exchange is not required, no later than ten days before the applicable record date. Such notice shall indicate the intended record date and the amount and nature of such dividend or distribution, or the number of shares subject to such offer for a Pro Rata Repurchase and the purchase price payable by the Corporation pursuant to such offer, as well as the Conversion Price and the number of shares of Common Stock into which a share of Series B Preferred Stock may be converted at such time.

(E) Notwithstanding any other provisions of this Section 9, the Corporation shall not be required to make any adjustment to the Conversion Price unless such adjustment would require an increase or decrease of at least one percent (1%) in the Conversion Price. Any lesser adjustment shall be carried forward and shall be made no later than the time of, and together with, the next subsequent adjustment which, together with any adjustment or adjustments so carried forward, shall amount to an increase or decrease of at least one percent (1%) in the Conversion Price.

(F) If the Corporation shall make any dividend or distribution on the Common Stock or issue any Common Stock, other capital stock or other security of the Corporation or any rights or warrants to purchase or acquire any such security, which transaction does not result in an adjustment to the Conversion Price pursuant to the foregoing provisions of this Section 9, the Board of Directors of the Corporation shall consider whether such action is of such a nature that an adjustment to the Conversion Price should equitably be made in respect of such transaction. If in such case the Board of Directors of the Corporation determines that an adjustment to the Conversion Price should be made, an adjustment shall be made effective as of such date, as determined by the Board of Directors of the Corporation. The determination of the Board of

Directors of the Corporation as to whether an adjustment to the Conversion Price should be made pursuant to the foregoing provisions of this paragraph (F), and, if so, as to what adjustment should be made and when, shall be final and binding on the Corporation and all shareholders of the Corporation. The Corporation shall be entitled to make such additional adjustments in the Conversion Price, in addition to those required by the foregoing provisions of this Section 9, as shall be necessary in order that any dividend or distribution in shares of capital stock of the Corporation, subdivision, reclassification or combination of shares of stock of the Corporation or any recapitalization of the Corporation shall not be taxable to the holders of the Common Stock.

(G) For purposes of this amendment to the Amended Articles of Incorporation, the following definitions shall apply:

“Business Day” shall mean each day that is not a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York, are not required to be open.

“Current Market Price” of publicly traded shares of Common Stock or any other class of capital stock or other security of the Corporation or any other issuer for any day shall mean the last reported sales price, regular way, or, in the event that no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in either case as reported on the New York Stock Exchange Composite Tape or, if such security is not listed or admitted to trading on the New York Stock Exchange, on the principal national securities exchange on which such security is listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, on the National Market System of the National Association of Securities Dealers, Inc. Automated Quotation System (“NASDAQ”) or, if such security is not quoted on such National Market System, the average of the closing bid and asked prices on each such day in the over-the-counter market as reported by NASDAQ or, if bid and asked prices for such security on each such day shall not have been reported through NASDAQ, the average of the bid and asked prices for such day as furnished by any New York Stock Exchange member firm regularly making a market in such security selected for such purpose by the Board of Directors of the Corporation or a committee thereof, in each case, on each trading day during the Adjustment Period.

“Adjustment Period” shall mean the period of five (5) consecutive trading days preceding, and including, the date as of which the Fair Market Value of a security is to be determined. The “Fair Market Value” of any security which is not publicly traded or of any other property shall mean the fair value thereof as determined by an independent investment banking or appraisal firm experienced in the valuation of such securities or property selected in good faith by the Board of Directors or a committee thereof, or, if no such investment banking or appraisal firm is in the good faith judgment of the Board of Directors or such committee available to make such determination, as determined in good faith by the Board of Directors or such committee.

“Extraordinary Distribution” shall mean any dividend or other distribution to holders of Common Stock (effected while any of the shares of the Series B Preferred Stock are outstanding) (i) of cash where the aggregate amount of such cash dividend or distribution together with the amount of all cash dividends and distributions made during the preceding period of 12 months, when combined with the aggregate amount of all Pro Rata Repurchases (for this purpose, including only that portion of the aggregate purchase price of such Pro Rata Repurchase which is in excess of the Fair Market Value of the Common Stock repurchased as determined on the applicable expiration date (including all extensions thereof) of any tender offer or exchange offer which is a Pro Rata Repurchase, or the date of purchase with respect to any other Pro Rata Repurchase which is not a tender offer or exchange offer made during such period), exceeds twelve and one-half percent (12½%) of the aggregate Fair Market Value of all shares of Common Stock outstanding on the day before the ex-dividend date with respect to such Extraordinary Distribution which is paid in cash and on the distribution date with respect to an Extraordinary Distribution which is paid other than in cash; *provided*, that in no event shall a regularly scheduled quarterly dividend not exceeding 125% of the average quarterly dividend for the four quarters immediately preceding such dividend constitute an Extraordinary Distribution resulting in an adjustment of the Conversion Price hereunder, and/or (ii) of any shares of capital stock of the Corporation (other than shares of Common Stock), other securities of the Corporation (other than securities of the type

referred to in paragraph (B) or (C) of this Section 9), evidences of indebtedness of the Corporation or any other person or any other property (including shares of any subsidiary of the Corporation) or any combination thereof. The Fair Market Value of an Extraordinary Distribution for purposes of paragraph (D) of this Section 9 shall be equal to the sum of the Fair Market Value of such Extraordinary Distribution plus the amount of any cash dividends (other than regularly scheduled dividends not exceeding 125% of the aggregate quarterly dividends for the preceding period of 12 months) which are not Extraordinary Distributions made during such 12-month period and not previously included in the calculation of an adjustment pursuant to paragraph (D) of this Section 9.

“Fair Market Value” shall mean, as to shares of Common Stock or any other class of capital stock or securities of the Corporation or any other issuer which are publicly traded, the average of the Current Market Prices of such shares or securities for each day of the Adjustment Period.

“Non-Dilutive Amount” in respect of any issuance, sale or exchange by the Corporation of any right or warrant to purchase or acquire shares of Common Stock (including any security convertible into or exchangeable for shares of Common Stock) shall mean the difference between (i) the product of the Fair Market Value of a share of Common Stock on the day preceding the first public announcement of such issuance, sale or exchange multiplied by the maximum number of shares of Common Stock which could be acquired on such date upon the exercise in full of such rights and warrants (including upon the conversion or exchange of all such convertible or exchangeable securities), whether or not exercisable (or convertible or exchangeable) at such date, and (ii) the aggregate amount payable pursuant to such right or warrant to purchase or acquire such maximum number of shares of Common Stock; *provided, however*, that in no event shall the Non-Dilutive Amount be less than zero. For purposes of the foregoing sentence, in the case of a security convertible into or exchangeable for shares of Common Stock, the amount payable pursuant to a right or warrant to purchase or acquire shares of Common Stock shall be the Fair Market Value of such security on the date of the issuance, sale or exchange of such security by the Corporation.

“Pro Rata Repurchase” shall mean any purchase of shares of Common Stock by the Corporation or any subsidiary thereof, whether for cash, shares of capital stock of the Corporation, other securities of the Corporation, evidences of indebtedness of the Corporation or any other person or any other property (including shares of a subsidiary of the Corporation), or any combination thereof, effected while any of the shares of Series B Preferred Stock are outstanding, pursuant to any tender offer or exchange offer subject to Section 13(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or any successor provision of law, or pursuant to any other offer available to substantially all holders of Common Stock, other than any such purchase effected prior to June 29, 1989; *provided, however*, that no purchase of shares by the Corporation or any subsidiary thereof made in open market transactions shall be deemed a Pro Rata Repurchase. For purposes of this paragraph (G) of this Section 9, shares shall be deemed to have been purchased by the Corporation or any subsidiary thereof “in open market transactions” if they have been purchased substantially in accordance with the requirements of Rule 10b-18 as in effect under the Exchange Act on the date shares of Series B Preferred Stock are initially issued by the Corporation, or on such other terms and conditions as the Board of Directors or a committee thereof shall have determined are reasonably designed to prevent such purchases from having a material effect on the trading market for the Common Stock.

(H) In the event that the Board of Directors of the Corporation adjusts the number of outstanding shares of Series B Preferred Stock in accordance with Section 3 hereof, then in lieu of any other adjustment to the Conversion Price pursuant to this Section 9, the Board of Directors of the Corporation may make such other adjustments as they deem appropriate. The determination of the Board of Directors of the Corporation as to whether an adjustment should be made pursuant to the foregoing sentence of this paragraph (H), and, if so, as to what adjustment should be made and when, shall be final and binding on the Corporation and all shareholders of the Corporation.

(I) Whenever an adjustment to the Conversion Price and the related voting rights of Series B Preferred Stock is required pursuant to this Amendment, the Corporation shall

forthwith place on file with the transfer agent for the Common Stock and the Series B Preferred Stock, and with the Secretary of the Corporation, a statement signed by two officers of the Corporation stating the adjusted Conversion Price determined as provided herein and the resulting conversion ratio, and the voting rights (as appropriately adjusted), of the Series B Preferred Stock. Such statement shall set forth in reasonable detail such facts as shall be necessary to show the reason and the manner of computing such adjustment, including any determination of Fair Market Value involved in such computation. Promptly after each adjustment to the Conversion Price and the related voting rights of the shares of the Series B Preferred Stock, the Corporation shall mail a notice thereof and of the then prevailing conversion ratio to each holder of shares of Series B Preferred Stock.

Section 10. Ranking; Attributable Capital and Adequacy of Surplus; Retirement of Shares

(A) The Series B Preferred Stock shall rank senior to the Common Stock as to the payment of dividends and the distribution of assets on liquidation, dissolution and winding up of the Corporation, and, unless otherwise provided in the Amended Articles, as the same may be amended, or a Certificate of Amendment relating to a subsequent series of Preferred Stock without par value, of the Corporation, the Series B Preferred Stock shall rank junior to all series of the Corporation's Preferred Stock, without par value, as to the payment of dividends and the distribution of assets on liquidation, dissolution or winding up.

(B) In addition to any vote of shareholders required by law or by Section 3(B) of this Amendment, the vote of the holders of a majority of the outstanding shares of Series B Preferred Stock shall be required to increase the par value of the Common Stock or otherwise increase the capital of the Corporation allocable to the Common Stock for the purpose of the Indiana Business Corporation Law ("BCL") if, as a result thereof, the surplus of the Corporation for purposes of the BCL would be less than the amount of Preferred Dividends that would accrue on the then outstanding shares of Series B Preferred Stock during the following three years.

(C) Any shares of Series B Preferred Stock acquired by the Corporation by reason of the conversion or redemption of such shares as herein provided, or otherwise so acquired, shall be retired as shares of Series B Preferred Stock and restored to the status of authorized but unissued shares of Preferred Stock, without par value, of the Corporation, undesignated as to series, and may thereafter be reissued as part of a new series of such Preferred Stock as permitted by law.

Section 11. Miscellaneous

(A) All notices referred to herein shall be in writing, and all notices hereunder shall be deemed to have been given upon the earlier of delivery thereof if by hand delivery, by courier or by standard form of telecommunication or three (3) Business Days after the mailing thereof if sent by registered mail (unless first-class mail shall be specifically permitted for such notice under the terms hereof) with postage prepaid, addressed: (i) if to the Corporation, to its office at 345 South High Street, P.O. Box 2407, Muncie, Indiana 47302-0407 (Attention: General Counsel), or to the transfer agent for the Series B Preferred Stock, or other agent of the Corporation designated as permitted hereby or (ii) if to any holder of the Series B Preferred Stock or Common Stock, as the case may be, to such holder at the address of such holder as listed in the stock record books of the Corporation (which may include the records of any transfer agent for the Series B Preferred Stock or Common Stock, as the case may be) or (iii) to such other address as the Corporation or any such holder, as the case may be, shall have designated by notice similarly given.

(B) The term "Common Stock" as used in this Amendment means the Corporation's Common Stock, without par value, as the same exists at the date of filing of this Amendment, or any other class of stock resulting from successive changes or reclassifications of such Common Stock consisting solely of changes in par value, or from par value to no par value, or from no par value to par value. In the event that, at any time as a result of an adjustment made pursuant to Section 9 hereof, the holder of any share of Series B Preferred Stock upon thereafter surrendering such shares for conversion, shall become entitled to receive any shares or other securities of the Corporation other than shares of Common Stock, the Conversion Price in respect of such other shares or securities so receivable upon conversion of Series B Preferred Stock shall thereafter be adjusted, and shall be subject to further adjustment from time to time, in a manner and

on terms as nearly equivalent as practicable to the provisions with respect to Common Stock contained in Section 9 hereof, and the provisions of Sections 1 through 8, 10 and 11 of this Amendment with respect to the Common Stock shall apply on like or similar terms to any such other shares or securities.

(C) The Corporation shall pay any and all stock transfer and documentary stamp taxes that may be payable in respect of any issuance or delivery of shares of Series B Preferred Stock or shares of Common Stock or other securities issued on account of Series B Preferred Stock pursuant hereto or certificates representing such shares or securities. The Corporation shall not, however, be required to pay any such tax which may be payable in respect of any transfer involved in the issuance or delivery of shares of Series B Preferred Stock or Common Stock or other securities in a name other than that in which the shares of Series B Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any person with respect to any such shares or securities other than a payment, to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the person otherwise entitled to such issuance, delivery or payment has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable.

(D) In the event that a holder of shares of Series B Preferred Stock shall not by written notice designate the name in which shares of Common Stock to be issued upon conversion of such shares should be registered or to whom payment upon redemption of shares of Series B Preferred Stock should be made or the address to which the certificate or certificates representing such shares, or such payment, should be sent, the Corporation shall be entitled to register such shares, and make such payment, in the name of the holder of such Series B Preferred Stock as shown on the records of the Corporation and to send the certificate or certificates representing such shares, or such payment, to the address of such holder shown on the records of the Corporation.

(E) Unless otherwise provided in the Amended Articles of Incorporation, as the same may be amended, of the Corporation, all payments in the form of dividends, distributions on voluntary or involuntary dissolution, liquidation or winding up or otherwise made upon the Series B Preferred Stock and any other stock ranking on a parity with the Series B Preferred Stock with respect to such dividend or distribution shall be pro rata, so that amounts paid per share of Series B Preferred Stock and such other stock shall in all cases bear to each other the same ratio that the required dividends, distributions or payments, as the case may be, then payable per share on the Series B Preferred Stock and such other stock bear to each other.

(F) The Corporation may appoint, and from time to time discharge and change, a transfer agent for the Series B Preferred Stock. Upon any such appointment or discharge of a transfer agent, the Corporation shall send notice thereof by hand delivery, by courier, by standard form of telecommunication or by first-class mail (postage prepaid), to each holder of record of Series B Preferred Stock.

Section B. Issue and Consideration for Capital Stock

1. The Board of Directors shall have authority to authorize and direct the issuance by the Corporation of shares of Common Stock and Preferred Stock at such times, in such amounts, to such persons, for such consideration, and upon such terms and conditions as it may determine, subject to the restrictions, limitations, conditions and requirements imposed by the provisions of these Amended Articles, by the provisions of the resolutions authorizing the issuance of any series of shares of Preferred Stock adopted by the Board of Directors, or by the provisions of The Indiana General Corporation Act.

2. When payment of the consideration for which any share or shares of stock so authorized to be issued shall have been received by the Corporation, such share or shares shall be declared and taken to be fully paid and not liable to any further call or assessment, and the holder or holders thereof shall not be liable for any further payments thereon.

Section C. No Preemptive Rights

The shareholders shall have no preemptive rights to subscribe to or purchase any additional issues of shares of the capital stock of the Corporation nor any shares of the capital stock of the Corporation purchased or acquired by the Corporation and not canceled but held as treasury stock.

**ARTICLE VII
Voting Rights of Capital Stock**

Section A. Common Stock

Each owner of record (as of the record date fixed by the Bylaws or the Board of Directors for any such determination of shareholders) of shares of the Common Stock shall have one (1) vote for each share of Common Stock standing in his, her or its name on the books of the Corporation with respect to each matter to be voted on, including the election of Directors and on matters referred to the shareholders, in any meeting of the shareholders.

Section B. Preferred Stock

Subject to the requirements of The Indiana General Corporation Act or applicable regulations of the New York Stock Exchange, Inc., the Midwest Stock Exchange, Inc., or other exchanges on which the Corporation's capital stock may be listed, holders of Preferred Stock shall have such voting rights as may be determined and designated by the Board of Directors in accordance with Article VI of these Amended Articles of Incorporation.

Section C. No Cumulative Voting

No holder of shares of Common Stock shall have any right of cumulative voting.

**ARTICLE VIII
Stated Capital**

The amount of stated capital of the Corporation at the time of filing of these Amended Articles is at least One Thousand Dollars (\$1,000).

**ARTICLE IX
Directors**

Section A. Number and Term

The maximum number of directors shall be fifteen (15) and the minimum number shall be nine (9). The exact number may from time to time be specified by the Bylaws of the Corporation at not less than nine (9) nor more than fifteen (15). If the number of directors is not specified by the Bylaws, the number shall be twelve (12). Subject to the rights, if any, of the holders of shares of any class or series of Preferred Stock then outstanding to elect directors under specified circumstances as may be required by The Indiana General Corporation Act or applicable regulations of the New York Stock Exchange, Inc., the Midwest Stock Exchange, Inc., or other exchanges on which the Corporation's capital stock may be listed, the directors shall be classified, with respect to the time for which they severally hold office, into three (3) classes, as nearly equal in number as possible, as shall be specified by the Bylaws, one (1) class to be originally elected for a term expiring at the Annual Meeting of Shareholders to be held in 1986, another class to be originally elected for a term expiring at the Annual Meeting of Shareholders to be held in 1987, and another class to be originally elected for a term expiring at the Annual Meeting of Shareholders to be held in 1988, with each director to hold office until his successor is elected and qualified. At each Annual Meeting of Shareholders of the Corporation, the successor of each director whose term expires at that Meeting shall be elected to hold office for a term expiring at the Annual Meeting of Shareholders held in the third year following the year of his election, or until his successor is elected and qualified.

Section B. Qualifications

Directors need not be shareholders of the Corporation. A majority of the directors at any time shall be citizens of the United States.

Section C. Vacancies

Subject to the rights, if any, of the holders of shares of any class or series of Preferred Stock then outstanding to elect directors under specified circumstances as may be required by The Indiana General

Corporation Act or applicable regulations of the New York Stock Exchange, Inc., the Midwest Stock Exchange, Inc., or other exchanges on which the Corporation's capital stock may be listed, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section D. Removal

Subject to the rights, if any, of the holders of any class or series of Preferred Stock then outstanding to elect directors under specified circumstances as may be required by The Indiana General Corporation Act or applicable regulations of the New York Stock Exchange, Inc., the Midwest Stock Exchange, Inc., or other exchanges on which the Corporation's capital stock may be listed, any director may be removed from office, but only for cause and only by the affirmative vote of the holders of at least three-fourths of the combined voting power of the outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

Section E. Amendment

Notwithstanding anything contained in these amended Articles of Incorporation to the contrary, the affirmative vote of the holders of at least three-fourths of the combined voting power of the outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend or adopt any provision inconsistent with or to repeal this Article IX.

ARTICLE X

Names and Addresses of Directors

The names and post-office addresses of the Corporation's Board of Directors holding office at the time of adoption of these Amended Articles are as follows:

Name	Number and Street	City and State
Howard M. Dean	3600 North River Road	Franklin Park, Illinois
John W. Fisher	345 South High Street	Muncie, Indiana
Richard M. Gillett	One Vandenberg Center	Grand Rapids, Michigan
Henry C. Goodrich	1900 Fifth Avenue, North	Birmingham, Alabama
A. Malcolm McVie	3731 Bay Road, North Drive	Indianapolis, Indiana
Robert H. Mohlman	3860 East 79th Street	Indianapolis, Indiana
Alvin M. Owsley, Jr.	3000 One Shell Plaza	Houston, Texas
William L. Peterson	345 South High Street	Muncie, Indiana
Richard M. Ringoen	345 South High Street	Muncie, Indiana
Delbert C. Staley	400 Westchester Avenue	White Plains, New York
William P. Stirtz	Checkerboard Square	St. Louis, Missouri

ARTICLE XI

**Names and Addresses of the Chairman of the Board,
the President and Chief Executive Officer,
and the Corporate Secretary**

The names and post-office addresses of the Corporation's Chairman of the Board, the President and Chief Executive Officer, and the Corporate Secretary at the time of adoption of these Amended Articles are as follows:

Name	Number and Street	City and State
John W. Fisher Chairman of the Board	345 South High Street	Muncie, Indiana
Richard M. Ringoen President and Chief Executive Officer	345 South High Street	Muncie, Indiana
George A. Sissel Corporate Secretary	345 South High Street	Muncie, Indiana

ARTICLE XII
Provisions for Regulations of Business and Conduct
of Affairs of the Corporation

Section A. Meetings

Meetings of the shareholders and the directors of this Corporation may be held either within or without the State of Indiana, and at such place as the Bylaws shall provide or, in default of such provisions, at such place as the Board of Directors shall designate.

Section B. Indemnification

Indemnification of directors, officers and employees shall be as follows:

1. The Corporation shall indemnify each person who is or was a director, officer or employee of the Corporation, or of any other corporation, partnership, joint venture, trust or other enterprise which he is serving or served in any capacity at the request of the Corporation, against any and all liability and reasonable expense that may be incurred by him in connection with or resulting from any claim, actions, suit or proceeding (whether actual or threatened, brought by or in the right of the corporation or such other corporation, partnership, joint venture, trust or other enterprise, or otherwise, civil, criminal, administrative, investigative, or in connection with an appeal relating thereto), in which he may become involved, as a party or otherwise, by reason of his being or having been a director, officer or employee of the Corporation or of such other corporation, partnership, joint venture, trust or other enterprise or by reason of any past or future action taken or not taken in his capacity as such director, officer or employee, whether or not he continues to be such at the time such liability or expense is incurred, provided that such person acted in good faith and in a manner he reasonably believed to be in the best interests of the Corporation or such other corporation, partnership, joint venture, trust or other enterprise, as the case may be, and, in addition, in any criminal action or proceedings, had no reasonable cause to believe that his conduct was unlawful. Notwithstanding the foregoing, there shall be no indemnification (a) as to amounts paid or payable to the Corporation or such other corporation, partnership, joint venture, trust or other enterprise, as the case may be, for or based upon the director, officer or employee having gained in fact any personal profit or advantage to which he was not legally entitled; (b) as to amounts paid or payable to the Corporation for an accounting of profits in fact made from the purchase or sale of securities of the corporation within the meaning of Section 16 (b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any state statutory law; or (c) with respect to matters as to which indemnification would be in contravention of the laws of the State of Indiana or of the United States of America whether as a matter of public policy or pursuant to statutory provisions.

2. Any such director, officer or employee who has been wholly successful, on the merits or otherwise, with respect to any claim, action, suit or proceeding of the character described herein shall be entitled to indemnification as of right, except to the extent he has otherwise been indemnified. Except as provided in the preceding sentence, any indemnification hereunder shall be granted by the Corporation, but only if (a) the Board of Directors, acting by a quorum consisting of directors who are not parties to or who have been wholly successful with respect to such claim, action, suit or proceeding, shall find that the director, officer or employee has met the applicable standards of conduct set forth in paragraph 1 of this Section B of Article XII; or (b) outside legal counsel engaged by the Corporation (who may be regular counsel of the Corporation) shall deliver to the corporation its written opinion that such director, officer or employee has met such applicable standards of conduct; or (c) a court of competent jurisdiction has determined that such director, officer or employee has met such standards, in an action brought either by the Corporation, or by the director, officer or employee seeking indemnification, applying *de novo* such applicable standards of conduct. The termination of any claim, action, suit or proceeding, civil or criminal, by judgment, settlement (whether with or without court approval) or conviction or upon a plea of guilty or of *nolo contendere*, or its equivalent, shall not create a presumption that a director, officer or employee did not meet the applicable standards of conduct set forth in paragraph 1 of this Section B of Article XII.

3. As used in this Section B of Article XII, the term "liability" shall mean amounts paid in settlement or in satisfaction of judgments or fines or penalties, and the term "expense" shall include, but shall not be limited to, attorneys' fees and disbursements, incurred in connection with the claim, action, suit or proceeding. The Corporation may advance expenses to, or where appropriate may at its option and expense undertake the defense of, any such director, officer or employee upon receipt of an undertaking by

or on behalf of such person to repay such expenses if it should ultimately be determined that the person is not entitled to indemnification under this Section B of Article XII.

4. The provisions of this Section B of Article XII shall be applicable to claims, actions, suits or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after the adoption hereof. If several claims, issues or matters of action are involved, any such director, officer or employee may be entitled to indemnification as to some matters even though he is not so entitled as to others. The rights of indemnification provided hereunder shall be in addition to any rights to which any director, officer or employee concerned may otherwise be entitled by contract or as a matter of law, and shall inure to the benefit of the heirs, executors and administrators of any such director, officer or employee.

ARTICLE XIII
Fair Price, Form of Consideration and Procedural Safeguards
for Certain Related Party Business Combinations

Section A. Higher Vote Required for Certain Related Party Business Combinations

1. In addition to any affirmative vote required by law or under these Amended Articles of Incorporation, and except as otherwise expressly provided in Section B of this Article XIII, any Related Party Business Combination (as hereinafter defined) shall require the affirmative vote of the holders of at least three-fourths of the Voting Stock (as hereinafter defined), voting together as a single class. For purposes of this Article XIII, each share of Voting Stock shall have the number of votes granted to it pursuant to these Amended Articles of Incorporation.

2. Such affirmative votes shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage or separate class vote may be specified, by law or in any agreement with any national securities exchange or otherwise.

Section B. When Higher Vote Not Required

The provisions of Section A of this Article XIII shall not be applicable to any particular Related Party Business Combination, and such Related Party Business Combination shall require only such affirmative vote as is required by law or any other provision of these Amended Articles of Incorporation or the Bylaws of the Corporation, or any agreement with any national securities exchange, if all of the conditions specified in either of the following subparagraphs 1 or 2 are met:

1 . *Approval of Disinterested Directors.* The Related Party Business Combination shall have been expressly approved by a majority (whether such approval is made prior to or subsequent to the acquisition of beneficial ownership of the Voting Stock that caused the Related party, as hereinafter defined, to become a Related Party) of the Disinterested Directors (as hereinafter defined); or

2 . *Fair Price, Form of Consideration and Procedural Requirements.* All of the following conditions shall have been met:

(A) The aggregate amount of the cash and the Fair Market Value (as hereinafter defined) as of the date of the consummation of the Related Party Business Combination (the "Consummation Date") of consideration other than cash to be received per share by holders of shares of any class or series of Capital Stock (as hereinafter defined) in such Related Party Business Combination shall be at least equal to the highest of the following (it being intended that the requirements of this subparagraph 2. (A) shall be required to be met with respect to every class or series of outstanding Capital Stock, whether or not the Related Party has previously acquired beneficial ownership of any shares of a particular class or series of Capital Stock):

(1) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by or on behalf of the Related Party for any shares of such class or series of Capital Stock acquired by or on behalf of the Related Party (a) within the two-year period immediately prior to the first public announcement of the proposal of the Related Party Business Combination (the "Announcement Date") or (b) in the transaction in which it became a Related Party, whichever is higher;

(2) the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date or on the date on which the Related Party became a Related Party (the “Determination Date”), whichever is higher;

(3) (if applicable) the price per share equal to the Fair Market Value per share of such class or series of Capital Stock determined pursuant to the immediately preceding clause (2), multiplied by the ratio calculated by dividing (a) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers’ fees) paid by or on behalf of the Related Party for any share of such class or series of Capital Stock in connection with the acquisition by the Related party of beneficial ownership of shares of such class or series of Capital Stock within the two-year period immediately prior to the Announcement Date by (b) the Fair Market Value per share of such class or series of Capital Stock on the first day in such two-year period on which the Related Party acquired beneficial ownership of any share of such class or series of Capital Stock;

(4) in the case of Common Stock, the Corporation’s net income per share of Common Stock for the four full consecutive fiscal quarters immediately preceding the Announcement Date, multiplied by the higher of the then price/earnings multiple (if any) of such Related Party or the highest price/earnings multiple of the corporation within the two-year period immediately preceding the Announcement Date (such price/earnings multiples being determined as customarily computed and reported in the financial community); or

(5) in the case of any class or series of Capital Stock other than Common Stock,, the highest preferential amount per share to which the holders of shares of such class or series of Capital Stock are entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

All per share prices shall be adjusted for any intervening stock splits, stock dividends and reverse stock splits.

(B) The consideration to be received by holders of a particular class or series of Capital Stock shall be in cash or in the same form as the Related Party has previously paid for shares of such particular stock. If the Related Party has paid for shares of any class or series of Capital Stock with varying forms of consideration, the form of consideration for such particular stock shall be either cash or the form used to acquire the largest number of shares of such particular stock previously acquired by it.

(C) After such Related Party has become a Related Party and prior to the Consummation Date:

(1) there shall have been (a) no reduction in the annual rate of dividends paid on the Common Stock (except as necessary to reflect any subdivision of Common Stock), except as approved by a majority of the Disinterested Directors, and (b) an increase in such annual rate of dividends as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of the Common Stock, unless the failure so to increase such annual rate is approved by a majority of the Disinterested Directors;

(2) there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) payable in accordance with the terms of any other outstanding class or series of Capital Stock, except as approved by a majority of the Disinterested Directors; and

(3) such Related Party shall have not become the beneficial owner of any additional shares of Capital Stock, except as part of the transaction which results in such Related Party becoming a Related Party.

(D) After such Related Party has become a Related Party, such Related Party shall not have received the benefit, directly or indirectly (except proportionately as a shareholder), of any loans, advances, guaranties, pledges or other financial assistance or any tax credits or other tax

advantages provided by the Corporation, whether in anticipation of or in connection with such Related Party Business Combination, or otherwise.

(E) A proxy or information statement describing the proposed Related Party Business Combination and complying with the requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to public shareholders of the Corporation at least 30 calendar days prior to the consummation of such Related Party Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions). The proxy or information statement shall contain on the first page thereof, in a prominent place, any statement as to the advisability (or inadvisability) of the Related Party Business Combination that the Disinterested Directors, or any of them, may choose to make and, if deemed advisable by a majority of the Disinterested Directors, the opinion of an investment banking firm selected by a majority of the disinterested Directors as to the fairness (or not) of the terms of the Related Party Business Combination from a financial point of view to the holders of the shares of any class or series of Capital Stock other than the Related party and its Affiliates or Associates (as hereinafter defined), such investment banking firm to be paid a reasonable fee for its services by this Corporation.

(F) Such Related Party shall not have made any major change in the Corporation's business or equity capital structure without the approval of a majority of the Disinterested Directors.

Section C. Definitions for Article XIII

For the purposes of this Article XIII:

1. The term "Related Party Business Combination" shall mean any transaction referred to in one or more of the following:

(A) any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with (1) any Related Party or (2) any other corporation (whether or not itself a Related Party) which is, or after such merger or consolidation would be, an Affiliate or Associate (as hereinafter defined) of any Related Party; or

(B) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Related Party or any Affiliate or Associate of any Related Party of any assets of the Corporation or any subsidiary having an aggregate Fair Market Value of Ten Million Dollars (\$10,000,000) or more; or

(C) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any securities having an aggregate Fair Market Value of Ten Million Dollars (\$10,000,000) or more of the Corporation or any subsidiary to any Related Party or any Affiliate or Associate of any Related Party in exchange for cash, securities or other property (or combination thereof); or

(D) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of any Related Party or any Affiliate or Associate of any Related Party; or

(E) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving a Related Party or any Affiliate or Associate of any Related Party) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Related Party or any Affiliate or Associate of any Related Party; or

(F) any agreement, contract or other arrangement providing for any one or more of the actions specified in the foregoing clauses (A) through (E).

2. The term "Related Party" shall mean any person (other than the Corporation or any Subsidiary, and other than any profit-sharing, employee stock ownership or other employee benefit plan of

the Corporation or any Subsidiary or any trustee of or fiduciary with respect to any such plan when acting in such capacity) who or which:

(A) is the beneficial owner (as hereinafter defined) of more than ten percent (10%) of the voting power of the outstanding Voting Stock; or

(B) is an Affiliate or Associate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of ten percent (10%) or more of the voting power of the then outstanding Voting Stock; or

(C) is an assignee of or has otherwise succeeded to any shares of Voting Stock which were at any time within the two-year period immediately prior to the date in question beneficially owned by any Related Party, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933, as amended.

For purposes of determining whether a person is a Related Party, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned through application of Section C.4., hereof, but shall not include any other shares of Voting Stock which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

3. The term “person” shall mean any individual, firm, partnership, trust, corporation or other entity and shall include any group comprised of any person and any other person with whom such person or any Affiliate or Associate of such person has any agreement, arrangement or understanding, directly or indirectly, for the purpose of acquiring, holding, voting or disposing of Voting Stock.

4. A person shall be a “beneficial owner” of any Voting Stock:

(A) which such person or any of its Affiliates or Associates beneficially owns, directly or indirectly; or

(B) which such person or any of its Affiliates or Associates has (1) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement, understanding or relationship or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; or (2) the right to vote pursuant to any agreement, arrangement, understanding or relationship; or (3) the right to invest, including the power to dispose or to direct the disposition of, pursuant to any agreement, arrangement, understanding or relationship; or

(C) which is beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement, understanding or relationship for the purpose of acquiring, holding, voting or disposing of any shares of Voting Stock.

5. The term “Affiliate,” used to indicate a relationship with a specified person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

6. The term “Associate,” used to indicate a relationship with a specified person, shall mean:

(A) any corporation or organization (other than the Corporation or a Subsidiary) of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of equity securities; or

(B) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; or

(C) any relative or spouse of such person, or any relative of such spouse, who has the same home as such person; or

(D) any person who is a director or officer of such specified person or any of its parents or subsidiaries (other than the Corporation or a Subsidiary).

7. The term “Subsidiary” shall mean any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes

of the definition of Related Party set forth in Section C.2., hereof, the term “Subsidiary” shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

8. The term “Disinterested Director” shall mean:

(A) any member of the Board of Directors of the Corporation who is unaffiliated with the Related Party and was a member of the Board of Directors prior to the time that the Related Party became a Related Party; or

(B) any successor of a Disinterested Director who is unaffiliated with the Related Party and is recommended to succeed a Disinterested Director by a majority of Disinterested Directors then on the Board of Directors.

9. The term “Fair Market Value” shall mean:

(A) in the case of stock, the highest closing sale price during the 30-calendar-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, Inc., or, if such stock is not listed on such Exchange, on the principal United State securities exchange registered under the Securities Exchange Act of 1934, as amended, on which such stock is listed or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-calendar-day period preceding the date in question on the National Association of Securities Dealers, Inc., Automated Quotations System or any system then in use, or if no such quotation is available, the Fair Market Value on the date in question of a share of such stock as determined by a majority of the disinterested Directors in good faith; and

(B) in the case of property other than cash or stock, the Fair Market Value of such property on the date in question as determined by a majority of the Disinterested Directors in good faith.

10. The term “Capital Stock” shall mean all Capital Stock of the Corporation authorized to be issued from time to time under Article V of these Amended Articles of Incorporation, and the term “Voting Stock” shall mean the then outstanding shares of Capital Stock of the Corporation entitled to vote generally in the election of directors.

11. In the event of any Related Party Business Combination in which the Corporation survives, the phrase “other consideration to be received” as used in Sections B.2. (A) and B.2. (B) of this Article XIII shall include the shares of Common Stock and/or the shares of any other class or series of Capital Stock retained by the holders of such shares.

Section D. Determination by the Disinterested Directors

A majority of the Disinterested Directors or, if there should be no Disinterested Directors, a majority of the directors, shall have the power and duty to determine for the purposes of this Article XIII, on the basis of information known to them after reasonable inquiry:

1. Whether a person is a Related Party;

2. The number of shares of Voting Stock beneficially owned by any person;

3. Whether a person is an Affiliate or Associate of another;

4. Whether the assets which are the subject of any Related Party Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Related Party Business Combination has, an aggregate Fair Market Value of Ten Million Dollars (\$10,000,000) or more; and

5. Such other matters with respect to which a determination is required under this Article XIII.

A majority of the Disinterested Directors or, if there should be no Disinterested Directors, a majority of the directors shall have the further power to interpret all of the terms and provisions of this Article XIII.

Section E. Effect on Fiduciary Obligations

1. Nothing contained in this Article XIII shall be construed to relieve any Related Party from any fiduciary obligation imposed by law.

2. The fact that any Related Party Business Combination complies with the provisions of Section B. of this Article XIII shall not be construed to impose any fiduciary duty, obligation or responsibility on the Board of Directors, or any member thereof, to approve such Related Party Business Combination or recommend its adoption or approval to the shareholders of the Corporation, nor shall such compliance limit, prohibit or otherwise restrict in any manner the Board of Directors, or any member thereof, with respect to evaluations of or actions and responses taken with respect to such Related Party Business Combination.

Section F. Amendment

Notwithstanding any other provision of law, these Amended Articles of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser vote may be specified by law, these Amended Articles of Incorporation or the Bylaws of the Corporation, and in addition to any affirmative vote of holders of any class or series of Capital Stock of the Corporation then outstanding which is required by law or by or pursuant to these Amended Articles of Incorporation, the affirmative vote of the holders of at least three-fourths of the combined voting power of the shares of the outstanding Voting Stock, voting together as a single class, shall be required to amend or repeal, or adopt any provisions inconsistent with, this Article XIII; provided, however, that this Section F. shall not apply to, and such three-fourths vote shall not be required for, any amendment, repeal or adoption unanimously recommended by the Board of Directors if all such directors are persons who would be eligible to serve as Disinterested Directors within the meaning of this Article XIII.

**ARTICLE XIV
Effect of Amended Articles**

These Amended Articles shall supersede and take the place of the heretofore existing Amended Articles of Incorporation of the Corporation.

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Ball Corporation
10 LONGS PEAK DRIVE
BROOMFIELD, COLORADO 80021-2510

**Bylaws
of
Ball Corporation
(As of October 24, 2017)**

**Article One
Capital Stock**

Section A. Classes of Stock. The capital stock of the corporation shall consist of shares of such kinds and classes, with such designations and such relative rights, preferences, qualifications, limitations and restrictions, including voting rights, and for such consideration as shall be stated in or determined in accordance with the Amended Articles of Incorporation and any amendment or amendments thereof, or the Indiana Business Corporation Law. Consistent with the Indiana Business Corporation Law, capital stock of the corporation owned by the corporation may be referred to and accounted for as treasury stock.

Section B. Certificates for Shares. All share certificates shall be consecutively numbered as issued and shall be signed by the chairman and the corporate secretary.

Section C. Transfer of Shares. The shares of the capital stock of the corporation shall be transferred only on the books of the corporation by the holder thereof, or by his attorney, upon the surrender and cancellation of the stock certificate, whereupon a new certificate shall be issued to the transferee. The transfer and assignment of such shares of stock shall be subject to the laws of the State of Indiana. The board of directors shall have the right to appoint and employ one or more stock registrars and/or transfer agents in the State of Indiana or in any other state.

Section D. Control Share Acquisition Statute Inapplicable. Chapter 42 of the Indiana Business Corporation Law (IC 23-1-42) shall not apply to control share acquisitions of shares of the corporation.

**Article Two
Shareholders**

Section A. Annual Meetings. The regular annual meeting of the shareholders of the corporation shall be held on the fourth (4th) Wednesday after the first (1st) Wednesday in April of each year, or on such other date within a reasonable interval after the close of the corporation's last fiscal year as may be designated from time to time by the board of directors, for the election of directors of the corporation, and for the transaction of such other business as is authorized or required to be transacted by the shareholders.

Section B. Special Meetings. Special meetings of the shareholders may be called by the chairman of the board or by the board of directors or as otherwise may be required by law.

Section C. Time and Place of Meetings. All meetings of the shareholders shall be held at the principal office of the corporation or at such other place within or without the State of Indiana and at such time as may be designated from time to time by the board of directors.

Section D. Notice of Shareholder Nominations of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the corporation, except as may be otherwise provided in the Amended Articles of Incorporation of the corporation with respect to the right of holders of preferred stock of the corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the board of directors may be made at any annual meeting of shareholders (a) by or at the direction of the board of directors (or any duly authorized committee thereof) or (b) by any shareholder of the corporation (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section D and on the record date for the determination of shareholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section D.

In addition to any other applicable requirements, for a nomination to be made by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary of the corporation.

To be timely, a shareholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs. In no event shall the public

disclosure of an adjournment of an annual meeting commence a new time period for the giving of a shareholder's notice as described above.

To be in proper written form, a shareholder's notice to the Secretary must set forth as to each person whom the shareholder proposes to nominate for election as a director and as to the shareholder giving the notice and any Shareholder Associated Person (as defined below) (i) the name, age, business address, residence address and record address of such person, (ii) the principal occupation or employment of such person, (iii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by such person, (iv) any information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder, (v) the nominee holder for, and number of, shares owned beneficially but not of record by such person, (vi) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any derivative or short positions, profit interests, options or borrowed or loaned shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such person with respect to any share of stock of the corporation, (vii) to the extent known by the shareholder giving the notice, the name and address of any other shareholder supporting the nominee for election or reelection as a director on the date of such shareholder's notice, (viii) a description of all arrangements or understandings between or among such persons pursuant to which the nomination(s) are to be made by the shareholder and any relationship between or among the shareholder giving notice and any Shareholder Associated Person, on the one hand, and each proposed nominee, on the other hand, and (ix) a representation that the shareholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice. Any information required by this paragraph shall be supplemented by the shareholder giving the notice not later than ten (10) days after the record date for the meeting as of the record date. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. The corporation may require any proposed nominee to furnish such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as an independent director of the corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such nominee.

No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this Section D (including the provision of the information required pursuant to the immediately preceding paragraph). If the Chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Notwithstanding anything in the third paragraph of this Section D to the contrary, in the event that the number of directors to be elected to the board of directors of the corporation is increased and there is no public disclosure by the corporation naming all of the nominees for director or specifying the size of the increased board of directors at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice required by this Bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth (10th) day following the day on which such public disclosure is first made by the corporation.

Section E. Notice of Shareholder Proposals of Business. No business may be transacted at an annual meeting of shareholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the board of directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the annual meeting by any shareholder of the corporation (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section E and on the record date for the determination of shareholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section E.

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary of the corporation.

To be timely, a shareholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs. In no event shall the public disclosure of an adjournment of an annual meeting commence a new time period for the giving of a shareholder's notice as described above.

Exhibit 3.ii (Continued)

To be in proper written form, a shareholder's notice to the Secretary must set forth as to each matter such shareholder proposes to bring before the annual meeting a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting and as to the shareholder giving the notice and any Shareholder Associated Person, (i) the name and record address of such person, (ii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by such person, (iii) the nominee holder for, and number of, shares owned beneficially but not of record by such person, (iv) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any derivative or short positions, profit interests, options or borrowed or loaned shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such person with respect to any share of stock of the corporation, (v) to the extent known by the shareholder giving the notice, the name and address of any other shareholder supporting the proposal of business on the date of such shareholder's notice, (vi) a description of all arrangements or understandings between or among such persons in connection with the proposal of such business by such shareholder and any material interest in such business and (vii) a representation that the shareholder giving the notice intends to appear in person or by proxy at the annual meeting to bring such business before the meeting. Any information required pursuant to this paragraph shall be supplemented by the shareholder giving the notice not later than ten (10) days after the record date for the meeting as of the record date.

No business shall be conducted at the annual meeting of shareholders except business brought before the annual meeting in accordance with the procedures set forth in this Section E (including the provision of the information required pursuant to the immediately preceding paragraph); provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section E shall be deemed to preclude discussion by any shareholder of any such business. If the Chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Section F. Definitions.

For purposes of Article Two of these Bylaws:

"Public disclosure" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

"Shareholder Associated Person" of any shareholder shall mean (i) any person acting in concert, directly or indirectly, with such shareholder and (ii) any person controlling, controlled by or under common control with such shareholder or any Shareholder Associated Person.

Article Three Directors

Section A. Number and Terms of Office. The business of the corporation shall be controlled and managed in accordance with the Indiana Business Corporation Law by a board of thirteen directors, divided into classes as provided in the Amended Articles of Incorporation.

Section B. Eligibility. No person shall be eligible for election or reelection as a director after having attained the age of seventy-two prior to or on the day of election or reelection. A director who attains the age of seventy-two during his or her term of office shall be eligible to serve only until the annual meeting of shareholders of the corporation next following such director's seventy-second birthday, or until his or her successor is elected and qualified.

Section C. Director Resignation Policy.

In an uncontested election of directors of the corporation, any nominee who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election will, within ten (10) days following the certification of the shareholder vote, tender his or her written resignation to the chairman of the board for consideration by the Nominating/Corporate Governance Committee (the "Committee"). As used in this Section C, an "uncontested election of directors of the corporation" is an election in which the only nominees are persons nominated by the board of directors of the corporation.

The Committee will consider such tendered resignation and, within sixty (60) days following the certification of the shareholder vote, will make a recommendation to the board of directors concerning the acceptance or rejection of such resignation. In determining its recommendation to the board, the Committee will consider all factors deemed relevant by the members of the Committee.

Exhibit 3.ii (Continued)

The Committee also will consider a range of possible alternatives concerning the director's tendered resignation as the members of the Committee deem appropriate, including, without limitation, acceptance of the resignation, rejection of the resignation or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Committee to have substantially resulted in the "withheld" votes.

The board of directors of the corporation will take formal action on the Committee's recommendation no later than ninety-five (95) days following the certification of the shareholder vote. In considering the Committee's recommendation, the board will consider the information, factors and alternatives considered by the Committee and such additional information, factors and alternatives as the board deems relevant.

Following the board's decision on the Committee's recommendation, the corporation, within four (4) business days after such decision is made, will publicly disclose, in a Current Report on Form 8-K filed with the Securities and Exchange Commission, the board's decision, together with an explanation of the process by which the decision was made and, if applicable, the board's reason or reasons for its decision.

No director who, in accordance with this Section C, is required to tender his or her resignation, shall participate in the Committee's deliberations or recommendation, or in the board's deliberations or determination, with respect to accepting or rejecting his or her resignation as a director. If a majority of the members of the Committee received a greater number of votes "withheld" from their election than votes "for" their election, then the independent directors then serving on the board of directors who received a greater number of votes "for" their election than votes "withheld" from their election, and the directors, if any, who were not standing for election, will appoint an ad hoc board committee from among themselves (the "Ad Hoc Committee"), consisting of such number of directors as they may determine to be appropriate, solely for the purpose of considering and making a recommendation to the board with respect to the tendered resignations. The Ad Hoc Committee shall serve in place of the Committee and perform the Committee's duties for purposes of this Section C. Notwithstanding the foregoing, if an Ad Hoc Committee would have been created but fewer than three directors would be eligible to serve on it, the entire board of directors (other than the director whose resignation is being considered) will make the determination to accept or reject the tendered resignation without any recommendation from the Committee and without the creation of an Ad Hoc Committee.

This director resignation policy set forth in this Section C, as it may from time to time be amended, will be summarized or included in the corporation's proxy statement for each meeting of shareholders (annual or special) at which directors are to be elected.

Section D. Regular Meetings. The regular annual meeting of the board of directors shall be held immediately after the adjournment of each annual meeting of the shareholders. Regular quarterly meetings of the board of directors shall be held on the fourth (4th) Wednesday after the first (1st) Wednesday of January, July, and October of each year, or on such other date as may be designated from time to time by the board of directors.

Section E. Special Meetings. Special meetings of the board of directors may be called at any time by the chairman of the board or by the board, by giving to each director an oral or written notice setting the time, place and purpose of holding such meetings.

Section F. Time and Place of Meetings. All meetings of the board of directors shall be held at the principal office of the corporation, or at such other place within or without the State of Indiana and at such time as may be designated from time to time by the board of directors.

Section G. Notices. Any notice, of meetings or otherwise, which is given or is required to be given to any director may be in the form of oral notice.

Section H. Committees. The board of directors is expressly authorized to create committees and appoint members of the board of directors to serve on them, as follows:

(1) Temporary and standing committees, including an executive committee, and the respective chairmen thereof, may be appointed by the board of directors, from time to time. The board of directors may invest such committees with such powers and limit the authority of such committees as it may see fit, subject to conditions as it may prescribe. The executive committee shall consist of three or more members of the board. All other committees shall consist of one or more members of the board. All committees so appointed shall keep regular minutes of the transactions of their meetings, shall cause them to be recorded in books kept for that purpose in the office of the corporation, and shall report the same to the board of directors at its next meeting. Within its area of responsibility, each committee shall have and exercise all of the authority of the board of directors, except as limited by the board of directors or by law, and shall have the power to authorize the execution of an affixation of the seal of the corporation to all papers or documents which may require it.

(2) Neither the designation of any of the foregoing committees or the delegation thereto of authority shall operate to relieve the board of directors, or any member thereof, of any responsibility imposed by law.

Section I. Loans to Directors. Except as consistent with the Indiana Business Corporation Law, the corporation shall not lend money to or guarantee the obligation of any director of the corporation.

**Article Four
Officers**

Section A. Election and Term of Office. The officers of the corporation shall be elected by the board of directors at the regular annual meeting of the board, unless the board shall otherwise determine, and shall consist of a chairman of the board of directors, if so designated as an officer by the board, a chief executive officer, a president, one or more vice presidents (any one or more of whom may be designated "corporate," "group," or other functionally described vice president), a corporate secretary, a treasurer, a controller, and may include a vice-chairman of the board of directors. The board of directors may, from time to time, designate a chief operating officer and a chief financial officer from among the officers of the corporation. At any one time a person may hold more than one office of the corporation. Only the chairman and any vice-chairman of the board must be a director of the corporation. Each officer shall continue in office until his successor shall have been duly elected and qualified or until removed with or without cause by the board of directors. Vacancies in any of such offices may be filled for the unexpired portion of the term by the board of directors.

Section B. Chairman of the Board. The chairman of the board shall preside at all meetings of the board of directors and of the shareholders. He shall confer from time to time with members of the board and the officers of the corporation and shall perform such other duties as may be assigned to him by the board. Except where by law the signature of another officer is required, the chairman of the board shall possess the power to sign all certificates, deeds, mortgages, bonds, contracts and other instruments of the corporation which may be authorized by the board of directors. During the absence or inability to act of the chief executive officer, the chairman of the board shall act as the chief executive officer of the corporation and shall exercise all the powers and discharge all the duties of the chief executive officer.

Section C. Vice-Chairman of the Board. The vice-chairman of the board, if elected, shall, in the absence of the chairman of the board, preside at all meetings of the board of directors and of the shareholders. He shall have and exercise the powers and duties of the chairman of the board in the event of the chairman's absence or inability to act or during a vacancy in the office of chairman of the board. He shall possess the same power as the chairman to sign all certificates, contracts, and other instruments of the corporation which may be authorized by the board of directors. He shall also have such other duties and responsibilities as shall be assigned to him by the board of directors or the chairman.

Section D. The Chief Executive Officer. The chief executive officer shall have general charge, supervision and management of the business, affairs and operations of the corporation in all respects, subject to such directions as the board of directors may from time to time provide. The chief executive officer shall be the senior executive officer of the corporation, shall perform such other duties as are customarily incident to such office and shall have full power and authority to see that all directions and resolutions of the board of directors are carried out and, without limitation, the power and authority to determine and direct:

- (a) The management, supervision and coordination of all business divisions and functional areas;
- (b) The implementation of strategic objectives, the setting of operating priorities and the allocation of human and material resources;
- (c) The management, supervision and coordination of all other executive officers and all business division heads; and
- (d) The briefing of the directors at meetings of the board of directors concerning the corporation's business, affairs and operations.

The chief executive officer shall have the power to sign and execute all certificates, deeds, mortgages, bonds, contracts, and other instruments of the corporation as authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly designated by the board of directors or by these bylaws to some other officer or agent of the corporation.

Section E. The President. The president shall perform such duties as the board of directors or the chief executive officer shall from time to time specify and other duties incident to the office of president and as are required of him by these bylaws. The president shall have the power to sign and execute all certificates, deeds, mortgages, bonds, contracts and other instruments of the corporation as authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly designated by the board of directors or by these bylaws to some other officer or agent of the corporation.

Section F. The Vice Presidents. The vice presidents shall possess the same power as the president to sign all certificates, contracts, and other instruments of the corporation which may be authorized by the board of directors, except where by law the signature

of the president is required. All vice presidents shall perform such duties as may from time to time be assigned to them by the board of directors, the chairman of the board, and the president. In the event of the absence or disability of the president, and at the request of the chairman of the board, or in his absence or disability, at the request of the vice-chairman of the board, or in his absence or disability at the request of the board of directors, the vice presidents in the order designated by the chairman of the board, or in his absence or disability by the vice-chairman of the board, or in his absence or disability by the board of directors, shall perform all of the duties of the president, and when so acting they shall have all of the powers of and be subject to the restrictions upon the president and shall act as a member of, or as a chairman of, any standing or special committee of which the president is a member or chairman by designation or ex officio.

Section G. The Corporate Secretary. The corporate secretary of the corporation shall:

- (1) Keep the minutes of the meetings of the shareholders and the board of directors in books provided for that purpose.
- (2) See that all notices are duly given in accordance with the provisions of these bylaws and as required by law.
- (3) Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws.
- (4) Keep a register of the post office address of each shareholder, which shall be furnished to the corporate secretary at his request by such shareholder, and make all proper changes in such register, retaining and filing his authority for all such entries.
- (5) See that the books, reports, statements, certificates and all other documents and records required by law are properly kept, filed, and authenticated.
- (6) In general, perform all duties incident to the office of corporate secretary and such other duties as may from time to time be assigned to him by the board of directors.

Section H. The Treasurer. The treasurer of the corporation shall:

- (1) Give bond for the faithful discharge of his duties if required by the board of directors.
- (2) Have the charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these bylaws.
- (3) At all reasonable times, exhibit his books of account and records, and cause to be exhibited the books of account and records of any corporation a majority of whose stock is owned by the corporation, to any of the directors of the corporation upon application during business hours at the office of this corporation or such other corporation where such books and records are kept.
- (4) Render a statement of the conditions of the finances of the corporation at all regular meetings of the board of directors, and a full financial report at the annual meeting of the shareholders, if called upon so to do.
- (5) Receive and give receipts for monies due and payable to the corporation from any source whatsoever.
- (6) In general, perform all of the duties incident to the office of treasurer and such other duties as may from time to time be assigned to him by the board of directors.
- (7) All acts affecting the treasurer's duties and responsibilities shall be subject to the review and approval of the corporation's chief financial officer.

Section I. The Controller. The controller of the corporation shall:

- (1) Direct the financial closings and the preparation of monthly, quarterly and annual consolidated historical financial statements and reports to executive and operating management.
- (2) Direct the preparation of financial reports required by federal, state and local regulatory agencies and the preparation of quarterly and annual financial statements and reports to shareholders, the Securities and Exchange Commission and other interested parties.
- (3) Provide primary contact for the corporation's independent accountants and all of its consolidated domestic and foreign subsidiaries and represent management to the corporation's domestic and international independent accountants.

(4) Perform and/or direct technical accounting and financial reporting research and monitor developments in accounting and regulatory standards (e.g., FASB, SEC, EITF, IRS).

(5) Direct the corporation's domestic and foreign tax planning, preparation and compliance.

(6) In general, perform all of the duties incident to the office of controller and such other duties as may from time to time be assigned by the board of directors.

(7) In case of absence or disability of the controller, the assistant controllers, in the order designated by the chief financial officer, shall perform the duties of controller.

(8) All acts affecting the controller's duties and responsibilities shall be subject to the review and approval of the corporation's chief financial officer.

**Article Five
Indemnification**

Section A. Indemnification of Directors and Officers - General. Certain of the terms used herein are more specifically defined in Section F of this Article Five.

(1) The corporation shall indemnify an individual made a party to a proceeding because he is or was a director or officer of the corporation against liability incurred in connection with a proceeding to the fullest extent permitted by the Indiana Business Corporation Law (the "IBCL"), as the same now exist or may hereafter be amended (but only to the extent any such amendment permits the corporation to provide broader indemnification rights than the IBCL permitted the corporation to provide prior to such amendment).

(2) The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director or officer did not meet the standard of conduct set forth in the IBCL.

(3) To the extent that a director or officer has been wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was a party, or in defense of any claim, issue, or matter therein, because he is or was a director or officer of the corporation, the corporation shall indemnify the director or officer against reasonable expenses incurred by him in connection therewith regardless of whether the director or officer has met the standards set forth in the IBCL and without any action or determination under Section D of this Article Five.

Section B. Advancement of Expenses.

(1) The corporation shall pay for or reimburse the reasonable expenses incurred by a director or officer who is a party to a proceeding in advance of final disposition of the proceeding if:

(a) The director or officer furnishes the corporation a written affirmation of his good faith belief that he has met the standard of conduct set forth in the IBCL;

(b) The director or officer furnishes the corporation a written undertaking, executed personally or on his behalf, to repay any advances if it is ultimately determined that he is not entitled to indemnification under this Article Five; and

(c) A determination is made that the facts then known to those making the determination would not preclude indemnification under the IBCL.

(2) The undertaking required by paragraph (b) of subsection (1) of this Section B must be an unlimited general obligation of the director or officer but need not be secured and may be accepted without reference to financial ability to make repayment.

Section C. Limitations on Indemnification.

(1) The corporation shall not indemnify a director or officer under Section A of this Article Five unless a determination has been made in the specific case that indemnification of the director is permissible in the circumstances because he has met the standard of conduct set forth in the IBCL. Such determination shall be made within sixty (60) days of the request for indemnification:

(a) By the board of directors by majority vote of a quorum consisting of directors not at the time parties to the proceeding;

(b) If a quorum cannot be obtained under paragraph (a) of this subsection, by majority vote of a committee duly designated by the board of directors (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding;

(c) By special legal counsel:

(i) Selected by the board of directors or its committee in the manner prescribed in paragraph (a) or (b) of this subsection; or

(ii) If a quorum of the board of directors cannot be obtained under paragraph (a) of this subsection and a committee cannot be designated under paragraph (b) of this subsection, selected by majority vote of the full board of directors (in which selection directors who are parties may participate); or

(d) By the shareholders, but the shares owned by or voted under the control of the officers and directors who are at the time parties to the proceeding may not be voted on the determination; provided, however, that following a change of control of the corporation, with respect to all matters thereafter arising out of acts, omissions or events prior to the change of control of the corporation concerning the rights of any person seeking indemnification under this Article Five, such determination shall be made by special legal counsel selected by such person and approved by the board of directors or its committee in the manner described in Section C(1)(c) above (which approval shall not be unreasonably withheld), which counsel has not otherwise performed services (other than in connection with similar matters) within the five (5) years preceding its engagement to render such opinion for such person or for the corporation or any affiliates (as such term is defined in Rule 405 under the Securities Act of 1933, as amended) of the corporation (whether or not they were affiliates when services were so performed) ("Independent Counsel"). Unless such person has theretofore selected Independent Counsel pursuant to this Section C and such Independent Counsel has been approved by the corporation, legal counsel approved by a resolution or resolutions of the board of directors of the corporation prior to a change of control of the corporation shall be deemed to have been approved by the corporation as required. Such Independent Counsel shall determine as promptly as practicable whether and to what extent such person would be permitted to be indemnified under applicable law and shall render its written opinion to the corporation and such person to such effect. In making a determination under this Section C, the special legal counsel and Independent Counsel referred to above shall determine that indemnification is permissible unless clearly precluded by this Article Five or the applicable provisions of the IBCL. The corporation agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such Independent Counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Article Five or its engagement pursuant hereto.

(2) Authorization of indemnification or an obligation to indemnify and evaluation as to reasonableness of expenses shall be made as set forth in paragraph (a) above, except that if the determination is made by special legal counsel (pursuant to Section C(1)(c) above), authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under Section C(1)(c) above to select counsel.

(3) Indemnification under this Article Five in connection with a proceeding by or in the right of the corporation shall be limited to reasonable expenses incurred in connection with the proceeding.

Section D. Enforceability. The provisions of this Article Five shall be applicable to all proceedings commenced after its adoption, whether such arise out of events, acts, omissions or circumstances which occurred or existed prior or subsequent to such adoption, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person. This Article Five shall be deemed to grant each person who is entitled to indemnification hereunder rights against the corporation to enforce the provisions of this Article Five, and any repeal or other modification of this Article Five or any repeal or modification of the IBCL or any other applicable law shall not limit any rights of indemnification then existing or arising out of events, acts, omissions, circumstances occurring or existing prior to such repeal or modification, including, without limitation, the right to indemnification for proceedings commenced after such repeal or modification to enforce this Article Five with regard to acts, omissions, events or circumstances occurring or existing prior to such repeal or modification.

Section E. Severability. If this Article Five or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director or officer of the corporation as to liabilities incurred in connection with any proceeding, including an action by or in the right of the corporation, to the full extent permitted by any applicable portion of this Article Five that shall not have been invalidated and to the full extent permitted by the Articles and by applicable law.

Section F. Definitions.

As used in this Article, the term:

(1) "Change of control," for purposes of this Article Five, means (a) an acquisition by any person of 30 percent (30%) or more of the corporation's voting shares; (b) a merger in which the shareholders of the corporation before the merger own 50 percent (50%) or less of the corporation's (or the ultimate parent corporation's) voting shares after the merger; (c) shareholder approval of a plan of liquidation or to sell or dispose of substantially all of the assets of the corporation; and (d) if, during any two-(2) year period, directors at the beginning of the period (and any new directors nominated by a majority of the directors at the beginning of such period) fail to constitute a majority of the board of directors. Notwithstanding the foregoing, a change of control shall not be deemed to occur solely because 30 percent (30%) or more of the then outstanding voting securities is acquired by (i) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by the corporation or any of its subsidiaries or (ii) any corporation which, immediately prior to such acquisition, is owned directly or indirectly by the shareholders of this corporation in the same proportion as their ownership of shares in this corporation immediately prior to such acquisition.

(2) "Corporation" includes Ball Corporation and any domestic or foreign predecessor entity of the corporation or a corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(3) "Director" means an individual who is or was a director of the corporation or an individual who, while a director of the corporation, is or was serving at the corporation's request as a director, officer, partner, member, manager, trustee, employee, or agent of another foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, or other enterprise, whether for profit or not. A director is considered to be serving an employee benefit plan at the corporation's request if his duties to the corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan. Director includes, unless the context requires otherwise, the estate or personal representative of a director.

(4) "Expenses" include attorneys' fees.

(5) "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.

(6) "Party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

(7) "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, except for a proceeding (or part thereof) initiated by a person against the corporation or any director, officer, employee or agent thereof (other than to enforce his rights under this Article Five) and not consented to by the corporation.

**Article Six
Corporate Seal**

The corporate seal of the corporation shall be a round, metal disc with the words "Ball Corporation" around the outer margin thereof, and the words "Corporate Seal," in the center thereof, so mounted that it may be used to impress words in raised letters upon paper.

**Article Seven
Amendment**

These bylaws may be altered, added to, amended, or repealed by the board of directors of the corporation at any regular or special meeting thereof.

**Article Eight
Adjudication of Certain Disputes**

Section A. Forum for Adjudication of Certain Disputes. Consistent with the Indiana Business Corporation Law (the "IBCL"), unless the corporation consents in writing to the selection of an alternative forum (an "Alternative Forum Consent"), the circuit or superior courts of the State of Indiana shall be the sole and exclusive forum for (a) any derivative action brought on behalf of, or in the name of the corporation; (b) any action asserting a claim for breach of a fiduciary duty owed by any director, officer, employee, or agent of the corporation to the corporation or any of the corporation's constituents identified in Chapter 35 of the IBCL (IC 23-1-35-1(d)); (c) any action asserting a claim arising under any provision of the IBCL, the corporation's Amended Articles of Incorporation and any amendment or amendments thereof, or these bylaws; or (d) any actions otherwise relating to the internal affairs of the corporation; *provided, however,* that, in the event that the circuit or superior courts of the State of Indiana lack subject matter jurisdiction over any such action or proceeding, the sole and exclusive forum for such action or proceeding shall be a federal court located within the State of Indiana, in each such case, unless a circuit or superior court of the State of Indiana (or federal court located within the State of Indiana, as applicable) has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant therein. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this Article 8. The existence of any prior Alternative Forum Consent shall not act as a waiver of the corporation's ongoing consent right as set forth above in this Section A of Article 8 with respect to any current or future actions or claims.

Section B. Consent to Jurisdiction and Service. If any action the subject matter of which is within the scope of Section A of this Article 8 is filed in a court other than a court located within the State of Indiana (a "Foreign Action") in the name of any shareholder, such shareholder shall be deemed to have consented to (a) the personal jurisdiction of the state and federal courts located within the State of Indiana in connection with any action brought in such court to enforce Section A of this Article 8 (an "FSC Enforcement Action") and (b) having service of process made upon such shareholder in any such FSC Enforcement Action by service upon such shareholder's counsel in the Foreign Action as agent for such shareholder.

Ball Corporation

Long-Term Cash Incentive Plan



Amended and Restated on April 26, 2016.

Effective for new Awards beginning on or after April 26, 2016 and for new Performance Cycles beginning on or after January 1, 2017.

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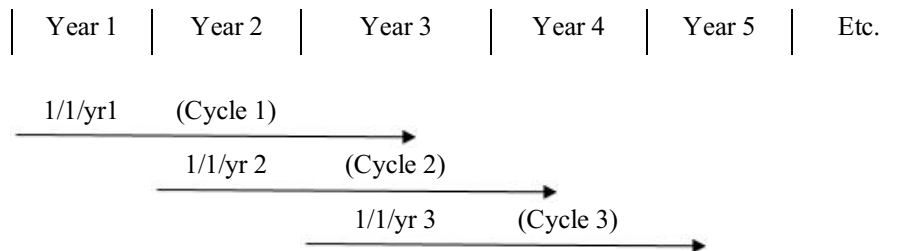
Long-Term Cash Incentive Plan (LTCIP)

1. Purpose

The purpose of the Plan is to advance the interests of the Company by providing a long-term financial incentive to selected key executives who contribute and are expected to continue to contribute materially to the success of the Company through their leadership skills, vision and dedication.

2. Definitions

- 2.1 “Award” means the incentive earned by a Participant under the terms of the Plan during a Performance Cycle.
- 2.2 “Committee” means the Human Resources Committee of the Board of Directors of Ball Corporation.
- 2.3 “Company” means Ball Corporation and its subsidiaries.
- 2.5 “Effective Date” for this amended and restated Plan is April 26, 2016.
- 2.5 “GICS” means the S&P Global Industry Classification Standards.
- 2.6 “Invested Capital” means the Monthly Average Invested Capital, defined as total operating assets excluding financial assets less total operating liabilities excluding financial liabilities, calculated as the total for each of the year’s twelve months, divided by 12.
- 2.7 “NOPAT” means the net operating income before financing costs, reduced by income taxes charged at the year’s effective tax rate.
- 2.8 “Participation” means an executive who has been selected for participation in the Plan by management. Participation is discretionary and is not a contractual right. Participation is determined on a year-by-year basis and participation in one Performance Cycle does not imply continued participation in subsequent Performance Cycles. Participants will be notified regarding their Participation Level in each Performance Cycle.
- 2.9 “Performance Cycle” means a period of three consecutive calendar years that comprises a single performance measurement period. Performance Cycles overlap as illustrated:



- 2.10 “Plan” means this Amended and Restated Long-Term Cash Incentive Plan as set forth in this document and as amended from time to time.
- 2.11 “ROAIC” means Return on Average Invested Capital.

- 2.12 “Retirement” means termination of employment by a participant for whatever reason other than death or disability after attainment of age and service years which, when combined, equals or exceeds seventy (70), subject to a minimum age of fifty-five (55). This definition of Retirement is subject to any existing or additional statutory requirements or prescribed definition of retirement as set forth by local laws in jurisdictions where the Plan is to be implemented and which would take precedence.
- 2.13 “Target Long-Term Cash Compensation” means the cash amount available to a participant for a specific Performance Cycle as established by the Committee. This cash amount is used in the Award calculations during such Performance Cycle.
- 2.14 “Total Shareholder Return” means the change in share price plus dividends during a Performance Cycle.

3. Calculation of Performance Measures and Awards

Performance is measured and awards are calculated based on two independent components. Each component will account for one-half of the Participation level.

3.1 ROAIC Component

Awards for this component are based upon ROAIC. ROAIC is calculated by dividing the average of Net Operating Profits After Tax or “NOPAT” over a Performance Cycle by the average of the “Invested Capital” over a Performance Cycle. The performance requirements are as follows:

- Minimum - 7% ROAIC
- Target - 9% ROAIC
- Maximum - 11% ROAIC

Awards for performance between the minimum, target and maximum requirements will be prorated.

A Participant’s Award for this component for a Performance Cycle is calculated by multiplying the Participant’s Target Long-Term Cash Compensation for that Performance Cycle by 50%, which is then adjusted for actual performance using the requirements above.

3.2 Comparative Total Shareholder Return Component

Awards for this component are based upon Total Shareholder Return for a Performance Cycle measured by comparing the average daily closing stock price and dividends of the Company in the third year of the Performance Cycle with the average daily closing stock price and dividends in the year prior to the start of the Performance Cycle compared to the distribution of the Total Shareholder Returns during the Performance Cycle for each of the companies comprising the GICS. The performance requirements are as follows:

- Minimum - the 37.5th percentile of the GICS
- Target - the 50th percentile of the GICS
- Maximum - the 75th percentile of the GICS

Awards for performance between the minimum, target and maximum requirements will be prorated.

A Participant's Award for this component for a Performance Cycle is calculated by multiplying the Participant's Target Long-Term Cash Compensation for that Performance Cycle by 50%, which is then adjusted for actual performance using the requirements above.

4. Form and Timing of Payment

The Awards will be made in cash as soon as practicable after the close of a Performance Cycle, but no later than March 15 of the year following the close of such Performance Cycle.

5. Miscellaneous

- 5.1 Administration of the Plan - The Committee shall be the sole administrator of the Plan. The Committee shall have full power to formulate additional details and regulations for carrying out this Plan. The Committee shall also be empowered to make any and all of the determinations not herein specifically authorized which may be necessary or desirable for the effective administration of the Plan. Any decision or interpretation of any provision of this Plan adopted by the Committee shall be final and conclusive.
- 5.2 Amendment and Termination of the Plan - The Company retains the right to terminate or amend the Plan, but only with respect to Performance Cycles not yet begun.
- 5.3 Applicable Law - This plan shall be governed and construed in accordance with the laws of the State of Indiana, or, if not possible, in accordance with applicable local laws.
- 5.4 Beneficiary Designation for Termination by Death - A Participant may designate a beneficiary or beneficiaries who, upon the Participant's death, are to receive the amounts that otherwise would have been paid to the Participant. All designations shall be in writing and signed by the Participant. The designation shall be effective only if and when delivered to the Company during the lifetime of the Participant. The Participant may change beneficiary or beneficiaries with a signed, written instrument delivered to the Company. Payouts shall be in accordance with the last unrevoked written designation of beneficiary that has been signed and delivered to the Company's Executive Compensation Department, or its designated Plan administrator. In locations where there is a mandatory line of succession, payment will be made in accordance with local law.
- 5.5 Captions - The captions to the articles, sections, and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.
- 5.6 Gender, Singular and Plural - All pronouns and any variation thereof shall be deemed to refer to the masculine and feminine gender as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

- 5.7 Merger, Consolidation or Acquisition - In the event of a merger, consolidation or acquisition such that the Company is not the surviving corporation, Awards will become immediately payable based on the performance achieved as of the end of the most recently completed calendar year for each Performance Cycle to which the grant of Award opportunities has occurred at least six months previously.
- 5.8 Non-Alienation of Benefits - Neither the Participant nor any designated beneficiary under the Plan shall have the power to transfer, assign, anticipate, hypothecate, or otherwise encumber in advance any of the benefits payable hereunder, nor shall said benefits be subject to seizure for the payment of any debts or judgments or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise.
- 5.9 No Right to Continued Employment or Participation - Nothing contained in this Plan, nor any action taken hereunder, shall be construed as a contract of employment or as giving any eligible employee, Participant or former Participant any right to be retained in the employ of the Employer. Participation is discretionary and is not a contractual right. Participation is determined on a year-by-year basis and participation in one Performance Cycle does not imply continued participation in subsequent Performance Cycles.
- 5.10 Termination of Employment Due to Death, Disability or Retirement - If death, disability or Retirement occurs prior to the end of one or more Performance Cycles in which an executive was a Participant, the Participant's Award for each such Performance Cycle will be calculated as provided in Section 3, then prorated by multiplying by a fraction the numerator of which shall be the number of days of employment actually served during the Performance Cycle, and the denominator of which shall be the total number of days in the Performance Cycle, and paid in accordance with Section 4. Any Participant whose employment terminates for cause, or any reason other than as set forth in this section, shall not be eligible to receive any Awards.
- 5.11 Termination of Employment for Reasons Other Than Death, Disability or Retirement - A Participant shall not be entitled to any Award or payout with respect to any incomplete Performance Cycle, unless such termination is by reason of death, disability or Retirement.
- 5.12 Validity - In the event any provision of this Plan is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan.

Ball Corporation

Deposit Share Program

for United States Participants



Confidential

Effective Date March 7, 2001
Amended and Restated July 27, 2016

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Deposit Share Program (“Program”)

1. Purpose

To encourage key executives to acquire a larger equity ownership interest in the Corporation to further align the personal interests of the Participants with the interests of the shareholders of the Corporation, in order to promote share price growth and enhancement of shareholder value.

2. Definitions

- 2.1 Award Date means the actual date the Participant is given the opportunity to purchase Newly Acquired Shares pursuant to the Program.
- 2.2 Award Letter means the document notifying the Participant of his/her participation in the Program along with specific terms related to such participation.
- 2.3 Acquisition Period means the time period during which the Participant may acquire shares pursuant to this Program.
- 2.4 Change in Control means “Change in Control” as defined in the Ball Corporation 2013 Stock and Cash Incentive Plan or its successor.
- 2.5 Cliff Lapse means restrictions lapse at one time on the date established on the date of grant of Restricted Stock Units under the Program.
- 2.6 Committee means the Human Resources Committee of the Board of Directors of Ball Corporation.
- 2.7 Disability means a bodily injury or disease that totally and continuously prevents the Participant, for a period as defined in the Corporation’s applicable policies, from engaging in the Participant’s regular occupation.
- 2.8 Effective Date means July 27, 2016, which is the effective date of the Amended and Restated Deposit Share Program.
- 2.9 Grant Date means the actual date the Restricted Stock Units are granted pursuant to this Program.
- 2.10 Holding Period means the time period during which a Participant is required to retain Newly Acquired Shares in order to have the restrictions lapse on Restricted Stock Units.

- 2.11 Newly Acquired Shares means Ball Corporation Common Stock acquired during the Acquisition Period, including shares acquired via market purchase, stock option / stock appreciation right exercise or units acquired through the deferral of economic value added incentive compensation to the Ball Corporation 2005 Deferred Compensation Company Stock Plan. It does not include Ball Corporation Common Stock obtained via a restricted stock unit grant or vesting that is unrelated to this Program, employer matching contributions to the Ball Corporation 2005 Deferred Compensation Company Stock Plan, or its successor, or by a Participant through the Corporation's other benefit plans, which include but are not limited to the Ball Corporation 401(k) and Employee Stock Ownership Plan and the Employee Stock Purchase Plan.
- 2.12 Participant means an employee who has been selected for participation in the Program by management and approved by the Committee.
- 2.13 Program means the Amended and Restated Deposit Share Program as set forth in this document and as amended from time to time.
- 2.14 Restricted Stock Units ("RSUs") means units of stock that are awarded to a Participant under this Program pursuant to the Ball Corporation 2013 Stock and Cash Incentive Plan or its successor.
- 2.15 Retirement means termination of employment by a Participant for whatever reason other than death or disability after attainment of age and service years which, when combined, equals or exceeds seventy (70), subject to a minimum age of fifty-five (55). This definition of Retirement is subject to any existing or additional statutory requirements or prescribed definition of retirement as set forth by local laws in jurisdictions where the Program is to be implemented and which would take precedence.
3. RSU Grant
- 3.1 Form of Grant—The grant under this Program shall be a RSU grant pursuant to the Ball Corporation 2013 Stock and Cash Incentive Plan or its successor. If, at any time or from time to time, during the Acquisition Period, or within 45 days thereafter, the Participant provides documentation to the Executive Compensation Programs Department of the Corporation, reasonably satisfactory to the Corporation, of Participant's acquisition of Newly Acquired Shares during the Acquisition Period, together with a written promise by the Participant to retain the shares for the Holding Period, then the Corporation will grant the Participant a designated number of RSUs for each Newly Acquired Share so acquired as specified in the Participant's Award Letter, up to the maximum number of RSUs also specified in the Participant's Award Letter.
- 3.2 Minimum Number of Newly Acquired Shares—The minimum number of Newly Acquired Shares pursuant to market purchase or stock option/stock appreciation

right exercise that will be matched by RSUs at one time is the lesser of 500 shares or the amount required to complete the award. The Participant may accumulate purchases, and when the total number of accumulated shares is equal to or exceeds 500 shares or the amount required to complete the award, the Participant may then request that matching RSUs be granted. There is no minimum number of Newly Acquired Shares pursuant to deferral of economic value added incentive compensation that will be matched at one time.

- 3.3 Granting of RSUs—Unless otherwise specified in the Award Letter, the RSUs will be granted on the 15th of each month provided the documentation required in this Section 3 is received on or before the 5th of that month, otherwise it will be granted the following month. If the 15th occurs on a holiday or weekend, the RSUs will be issued on the workday immediately prior to that holiday or weekend.

4. Holding Period for the Newly Acquired Shares

The Participant must agree that the Newly Acquired Shares for which the RSUs were granted will not be sold, transferred, or diversified, prior to the lapse of restrictions on the RSUs. Corporate officers are discouraged from pledging such shares, and should check with the General Counsel before doing so. For Participants that are not officers of the Corporation, a pledge of Newly Acquired Shares as collateral for any loan during the Holding Period is not considered to be a sale or transfer of the shares for purposes of this Program; however, in the event of default on the loan during the Holding Period, the Newly Acquired Shares will be considered to be sold and the RSUs will be forfeited.

5. Lapse of Restrictions

- 5.1 Cliff Lapse—Except as provided herein, restrictions on all RSUs will cliff lapse on the date that is specified in the Award Letter and the Participant will be issued Ball Corporation Common Stock.
- 5.2 Accelerated Lapse Rate—The restrictions may lapse at an accelerated rate as specified in the Award Letter and the Participant will be issued Ball Corporation Common Stock.

6. Additional Cash Payment

The Participant also will receive a dividend equivalent, if any, payable with respect to the RSUs from the date of grant until restrictions lapse.

7. Retirement, Disability or Death

- 7.1 Retirement—Participants who retire before restrictions lapse on RSUs granted under this Program will receive a prorated portion of their outstanding RSUs and

the restrictions on the prorated RSUs will lapse. Fractional RSUs will be rounded up at proration.

Proration Calculation

$$\begin{array}{rcccl} \text{Number of RSUs} & & & & \text{Number of} \\ \text{outstanding on date of} & & \text{Number of days from grant to retirement} & & \text{RSUs} \\ \text{retirement} & \text{X} & \text{Number of days from grant to scheduled} & = & \text{outstanding after} \\ & & \text{cliff lapse} & & \text{proration} \end{array}$$

7.2 Disability or Death—Restrictions on the RSUs outstanding at disability or death will lapse and Ball Corporation common stock will be issued to the Participant or the Participant’s estate or beneficiary.

8. Forfeiture

All rights in and to any and all RSUs granted pursuant to this Program which have not had restrictions lapse as described above in this Program, shall be forfeited upon the Participant’s termination from the Corporation, except as provided for in Section 7. Any Participant whose employment terminates for cause, regardless of Retirement status, shall forfeit all outstanding RSUs under this Program. In addition, any RSUs granted pursuant to this Program shall be forfeited if the Newly Acquired Shares to which the RSUs relate are sold or transferred by the Participant prior to the lapse of restrictions on such RSUs. For each RSU for which the restrictions have lapsed, the holding period requirement for the Newly Acquired Shares for which the RSUs were granted shall also end.

9. Defer Release of RSUs

Certain Participants may be eligible to defer the release of their RSUs where allowed by laws of the country that apply to the Participant. Such opportunity to defer is not guaranteed.

If deferral is permitted, Participants in the Program may defer RSUs granted under this Program into the Ball Corporation 2005 Deferred Compensation Company Stock Plan, or its successor, by making an election to defer by the election deadline applicable to their RSU grant date. If a Participant elects to defer, their deferred RSUs will be credited as units to the Participant’s designated account(s) in the Ball Corporation 2005 Deferred Compensation Company Stock Plan or its successor upon lapse. Upon deferral, the units credited may be eligible for employer matching contributions under the Ball Corporation 2005 Deferred Compensation Company Stock Plan or its successor. Restrictions and the Participant’s rights with respect to such units will be determined under the terms of the Program. The actual of the RSUs will not occur until restrictions lapse on the RSUs.

10. Miscellaneous

10.1 Administration of the Program—The Human Resources Committee of the Board of Directors shall be the sole administrator of the Program. The Committee shall

have full power to formulate additional details and regulations for carrying out this Program. The Committee shall also be empowered to make any and all of the determinations not herein specifically authorized which may be necessary or desirable for the effective administration of the Program. Any decision or interpretation of any provision of this Program adopted by the Committee shall be final and conclusive.

- 10.2 Amendment and Termination of Program—The Committee may at any time amend the Program in whole or in part; provided, however, that no amendment shall be effective to affect the Participant’s vested right therein, and, except as provided below, no amendment shall be effective to decrease the future benefits under the Program payable to any Participant or beneficiary with respect to any amount granted or vested prior to the date of the amendment. Written notice of any amendments shall be given promptly to each Participant. No notice shall be required with respect to amendments that are non-material or administrative in nature.
- 10.3 Successors and Mergers, Consolidations, or Change in Control—The terms and conditions of this Program shall enure to the benefit of and bind the Corporation, the Participants, their successors, assignees, and personal representatives. If a Change in Control shall occur then the rights and obligations shall be those outlined in the 2013 Stock and Cash Incentive Plan, or its successor.
- 10.4 Recoupment of Awards Resulting from Fraud or Intentional Misconduct—If the Board or an appropriate Committee of the Board determines that any fraud or intentional misconduct by one or more Officers or other executives of the Corporation, or an affiliate, at a level of Vice President or above caused the Corporation, directly or indirectly, to restate its financial statements and the Officer or such executive has received more compensation than would have been paid absent the fraud or intentional misconduct, the Board or Committee, in its discretion, shall take such action as it deems necessary or appropriate to remedy the fraud or intentional misconduct and prevent its recurrence. Such action may include, to the extent permitted by applicable law, in appropriate cases, requiring partial or full reimbursement of any incentive compensation paid to the Officer or such executive or causing partial or full cancellation of any outstanding RSUs previously granted to such Officer or such executive in the amount by which the value of the such compensation exceeds or exceeded any lower value that would have resulted based on the restated financial results.
- 10.5 Employment or Future Eligibility to Participate Not Guaranteed—Nothing contained in this Program, nor any action taken hereunder, shall be construed as a contract of employment or as giving any Participant any right to be retained in the employ of the Corporation. Designation as a Participant is discretionary, is not a contractual right, and may be revoked at any time by the Committee with respect to any RSUs not yet granted.

Exhibit 10.15 (Continued)

- 10.6 Gender, Singular and Plural—All pronouns and any variations thereof shall be deemed to refer to the masculine and feminine gender as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.
- 10.7 Captions—The captions to the articles, sections, and paragraphs of this Program are for convenience only and shall not control or affect the meaning or construction of any of its provisions.
- 10.8 Applicable Law—This Program shall be governed and construed in accordance with the laws of the State of Indiana.
- 10.9 Validity—In the event any provision of this Program is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Program.

Ball Corporation

Deposit Share Program

for International Participants



Confidential

Effective Date March 7, 2001
Amended and Restated July 27, 2016

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Deposit Share Program (“Program”)

1. Purpose

To encourage key executives to acquire a larger equity ownership interest in the Corporation to further align the personal interests of the Participants with the interests of the shareholders of the Corporation, in order to promote share price growth and enhancement of shareholder value.

2. Definitions

- 2.1 Award Date means the actual date the Participant is given the opportunity to purchase Newly Acquired Shares pursuant to the Program.
- 2.2 Award Letter means the document notifying the Participant of his/her participation in the Program along with specific terms related to such participation.
- 2.3 Acquisition Period means the time period during which the Participant may acquire shares pursuant to this Program.
- 2.4 Change in Control means “Change in Control” as defined in the Ball Corporation 2013 Stock and Cash Incentive Plan or its successor.
- 2.5 Cliff Lapse means restrictions lapse at one time on the date established on the date of grant of Restricted Stock Units under the Program.
- 2.6 Committee means the Human Resources Committee of the Board of Directors of Ball Corporation.
- 2.7 Disability means a bodily injury or disease that totally and continuously prevents the Participant, for a period as defined in the Corporation’s applicable policies, from engaging in the Participant’s regular occupation.
- 2.8 Effective Date means July 27, 2016, which is the effective date of the Amended and Restated Deposit Share Program.
- 2.9 Grant Date means the actual date the Restricted Stock Units are granted pursuant to this Program.
- 2.10 Holding Period means the time period during which a Participant is required to retain Newly Acquired Shares in order to have the restrictions lapse on Restricted Stock Units.

- 2.11 Newly Acquired Shares means Ball Corporation Common Stock acquired during the Acquisition Period, including shares acquired via market purchase or stock option / stock appreciation right exercise. It does not include Ball Corporation Common Stock obtained via a restricted stock unit grant or vesting that is unrelated to this Program, or by a Participant through the Corporation's other benefit plans, which include but are not limited to the Ball Corporation 401(k) and Employee Stock Ownership Plan and the Employee Stock Purchase Plan.
- 2.12 Participant means an employee who has been selected for participation in the Program by management and approved by the Committee.
- 2.13 Program means the Amended and Restated Deposit Share Program as set forth in this document and as amended from time to time.
- 2.14 Restricted Stock Units ("RSUs") means units of stock that are awarded to a Participant under this Program pursuant to the Ball Corporation 2013 Stock and Cash Incentive Plan or its successor.
- 2.15 Retirement means termination of employment by a Participant for whatever reason other than death or disability after attainment of age and service years which, when combined, equals or exceeds seventy (70), subject to a minimum age of fifty-five (55). This definition of Retirement is subject to any existing or additional statutory requirements or prescribed definition of retirement as set forth by local laws in jurisdictions where the Program is to be implemented and which would take precedence.

3. RSU Grant

- 3.1 Form of Grant—The grant under this Program shall be a RSU grant pursuant to the Ball Corporation 2013 Stock and Cash Incentive Plan or its successor. If, at any time or from time to time, during the Acquisition Period, or within 45 days thereafter, the Participant provides documentation to the Executive Compensation Programs Department of the Corporation, reasonably satisfactory to the Corporation, of Participant's acquisition of Newly Acquired Shares during the Acquisition Period, together with a written promise by the Participant to retain the shares for the Holding Period, then the Corporation will grant the Participant a designated number of RSUs for each Newly Acquired Share so acquired as specified in the Participant's Award Letter, up to the maximum number of RSUs also specified in the Participant's Award Letter.
- 3.2 Minimum Number of Newly Acquired Shares—The minimum number of Newly Acquired Shares that will be matched by RSUs at one time is the lesser of 500 shares or the amount required to complete the award. The Participant may accumulate purchases, and when the total number of accumulated shares is equal to or exceeds

500 shares or the amount required to complete the award, the Participant may then request that matching RSUs be granted.

- 3.3 Granting of RSUs—Unless otherwise specified in the Award Letter, the RSUs will be granted on the 15th of each month provided the documentation required in this Section 3 is received on or before the 5th of that month, otherwise it will be granted the following month. If the 15th occurs on a holiday or weekend, the RSUs will be issued on the workday immediately prior to that holiday or weekend.

4. Holding Period for the Newly Acquired Shares

The Participant must agree that the Newly Acquired Shares for which the RSUs were granted will not be sold or transferred prior to the lapse of restrictions on the matching RSUs. Corporate officers are discouraged from pledging such shares, and should check with the General Counsel before doing so. For Participants that are not officers of the Corporation, a pledge of Newly Acquired Shares as collateral for any loan during the Holding Period is not considered to be a sale or transfer of the shares for purposes of this Program; however, in the event of default on the loan during the Holding Period, the Newly Acquired Shares will be considered to be sold and the matching RSUs will be forfeited.

5. Lapse of Restrictions

- 5.1 Cliff Lapse—Except as provided herein, restrictions on all RSUs will cliff lapse on the date that is specified in the Award Letter and the Participant will be issued Ball Corporation Common Stock.
- 5.2 Accelerated Lapse Rate—The restrictions may lapse at an accelerated rate as specified in the Award Letter and the Participant will be issued Ball Corporation Common Stock.

6. Additional Cash Payment

The Participant also will receive a dividend equivalent, if any, payable with respect to the RSUs from the date of grant until restrictions lapse.

7. Retirement, Disability or Death

- 7.1 Retirement—Participants who retire before restrictions lapse on RSUs granted under this Program will receive a prorated portion of their outstanding RSUs and the restrictions on the prorated RSUs will lapse. Fractional RSUs will be rounded up at proration.

Proration Calculation

$$\begin{array}{l} \text{Number of RSUs} \\ \text{outstanding on date of} \\ \text{retirement} \end{array} \quad \times \quad \frac{\text{Number of days from grant to retirement}}{\text{Number of days from grant to scheduled cliff lapse}} = \begin{array}{l} \text{Number of} \\ \text{RSUs} \\ \text{outstanding after} \\ \text{proration} \end{array}$$

7.2 Disability or Death—Restrictions on the RSUs outstanding at disability or death will lapse and Ball Corporation common stock will be issued to the Participant or the Participant’s estate or beneficiary.

8. Forfeiture

All rights in and to any and all RSUs granted pursuant to this Program which have not had restrictions lapse as described above in this Program, shall be forfeited upon the Participant’s termination from the Corporation, except as provided for in Section 7. Any Participant whose employment terminates for cause, regardless of Retirement status, shall forfeit all outstanding RSUs under this Program. In addition, any RSUs granted pursuant to this Program shall be forfeited if the Newly Acquired Shares to which the RSUs relate are sold or transferred by the Participant prior to the lapse of restrictions on such RSUs. For each RSU for which the restrictions have lapsed, the holding period requirement for the Newly Acquired Shares for which the RSUs were granted shall also end.

9. Miscellaneous

9.1 Administration of the Program—The Human Resources Committee of the Board of Directors shall be the sole administrator of the Program. The Committee shall have full power to formulate additional details and regulations for carrying out this Program. The Committee shall also be empowered to make any and all of the determinations not herein specifically authorized which may be necessary or desirable for the effective administration of the Program. Any decision or interpretation of any provision of this Program adopted by the Committee shall be final and conclusive.

9.2 Amendment and Termination of Program—The Committee may at any time amend the Program in whole or in part; provided, however, that no amendment shall be effective to affect the Participant’s vested right therein, and, except as provided below, no amendment shall be effective to decrease the future benefits under the Program payable to any Participant or beneficiary with respect to any amount granted or vested prior to the date of the amendment. Written notice of any amendments shall be given promptly to each Participant. No notice shall be required with respect to amendments that are non-material or administrative in nature.

9.3 Successors and Mergers, Consolidations, or Change in Control—The terms and conditions of this Program and Election Form shall enure to the benefit of and

bind the Corporation, the Participants, their successors, assignees, and personal representatives. If a Change in Control shall occur then the rights and obligations shall be those outlined in the 2013 Stock and Cash Incentive Plan, or its successor.

- 9.4 Recoupment of Awards Resulting from Fraud or Intentional Misconduct—If the Board or an appropriate Committee of the Board determines that any fraud or intentional misconduct by one or more Officers or other executives of the Corporation, or an affiliate, at a level of Vice President or above caused the Corporation, directly or indirectly, to restate its financial statements and the Officer or such executive has received more compensation than would have been paid absent the fraud or intentional misconduct, the Board or Committee, in its discretion, shall take such action as it deems necessary or appropriate to remedy the fraud or intentional misconduct and prevent its recurrence. Such action may include, to the extent permitted by applicable law, in appropriate cases, requiring partial or full reimbursement of any incentive compensation paid to the Officer or such executive or causing partial or full cancellation of any outstanding RSUs previously granted to such Officer or such executive in the amount by which the value of the such compensation exceeds or exceeded any lower value that would have resulted based on the restated financial results.
- 9.5 Employment or Future Eligibility to Participate Not Guaranteed—Nothing contained in this Program, nor any action taken hereunder, shall be construed as a contract of employment or as giving any Participant any right to be retained in the employ of the Corporation. Designation as a Participant is discretionary, is not a contractual right, and may be revoked at any time by the Committee with respect to any RSUs not yet granted.
- 9.6 Gender, Singular and Plural—All pronouns and any variations thereof shall be deemed to refer to the masculine and feminine gender as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.
- 9.7 Captions—The captions to the articles, sections, and paragraphs of this Program are for convenience only and shall not control or affect the meaning or construction of any of its provisions.
- 9.8 Applicable Law—This Program shall be governed and construed in accordance with the laws of the State of Indiana.
- 9.9 Validity—In the event any provision of this Program is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Program.

Ball Corporation

Directors Deposit Share Program



Confidential

Effective Date April 25, 2001
Amended and Restated July 27, 2016

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Directors Deposit Share Program (“Program”)**1. Purpose**

To encourage Directors to acquire a larger equity ownership interest in the Corporation to further align their personal interests with the interests of the shareholders of the Corporation, in order to promote share price growth and enhancement of shareholder value.

2. Definitions

- 2.1 “Award Date” means the actual date the Participant is given the opportunity to purchase Newly Acquired Shares pursuant to the Program.
- 2.2 “Award Letter” means the document notifying the Participant of his/her participation in the Program along with specific terms related to such participation.
- 2.3 “Acquisition Period” means the time period during which the Participant may acquire shares pursuant to this Program.
- 2.4 “Change in Control” means “Change in Control” as defined in the Ball Corporation 2013 Stock and Incentive Plan or its successor.
- 2.5 “Committee” means the Human Resources Committee of the Board of Directors of Ball Corporation.
- 2.6 “Effective Date” means July 27, 2016, which is the effective date of the Amended and Restated Directors Deposit Share Program.
- 2.7 “Grant Date” means the actual date of issuance of the Restricted Stock Units pursuant to this Program.
- 2.8 “Holding Period” means the time period during which a Participant is required to retain Newly Acquired Shares in order to have the restrictions lapse as specified in the Award Letter on Restricted Stock Units.
- 2.9 “Newly Acquired Shares” means Ball Corporation Common Stock acquired by a Participant during the Acquisition Period, including shares acquired via stock option/stock appreciation right exercise.
- 2.10 “Participant” means any Director, except Directors who are employees of the corporation, who is in office at the time he/she receives an Award Letter.
- 2.11 “Program” means the Amended and Restated Directors Deposit Share Program as set forth in this document and as amended from time to time.
- 2.12 “Restricted Stock Units” means units of stock that are awarded to a Participant under this Program pursuant to the Ball Corporation 2013 Stock and Cash Incentive Plan or its successor.
- 2.13 “Voluntary Resignation” means resignation by a Director during a three-year term.

3. Restricted Stock Unit Grant

- 3.1 **Form of Grant** – The grant under this Program shall be a Restricted Stock Unit Grant, pursuant to the Ball Corporation 2013 Stock and Cash Incentive Plan or its successor. If, at any time or from time to time, during the Acquisition Period or within 45 days thereafter, the Participant provides documentation to the Executive Compensation Programs Department of the Corporation, reasonably satisfactory to the Corporation, of Participant's acquisition of Newly Acquired Shares during the Acquisition Period, together with a written promise by the Participant to hold the shares for the Holding Period, then the Corporation will grant the Participant a designated number of Restricted Stock Units for each Newly Acquired Share so acquired as specified in the Participant's Award Letter, up to the maximum number of Restricted Stock Units also specified in the Participant's Award Letter.
- 3.2 **Minimum Number of Newly Acquired Shares** – The minimum number of Newly Acquired Shares that will be matched by Restricted Stock Units at one time is the lesser of 500 shares or the amount required to complete the award. The Participant may accumulate purchases, and when the total number of accumulated shares is equal to or exceeds 500 shares or the amount required to complete the award, the Participant may then request that matching Restricted Stock Units be issued.
- 3.3 **Grant Date** – Unless otherwise specified in the Award Letter, the Restricted Stock Units will be granted on the 15th of each month provided the documentation required in this Section 3 is received on or before the 5th of that month, otherwise it will be granted the following month. If the 15th occurs on a holiday or weekend, the Restricted Stock Units will be issued on the workday immediately prior to that holiday or weekend.

4. Holding Period for the Newly Acquired Shares

The Participant must agree that the Newly Acquired Shares for which the Restricted Stock Units were granted will not be sold or transferred during the Holding Period specified in the Award Letter. Except as provided in Section 5, if the Newly Acquired Shares are not retained during the entire Holding Period, the Restricted Stock Units are forfeited.

5. Lapse of Restrictions/Forfeiture of Restricted Stock Units

Restrictions on Restricted Stock Units granted pursuant to this Program will lapse as specified in the Award Letter or earlier if a Participant ceases to serve as a Director of Ball Corporation for any reason other than Voluntary Resignation. A Director who decides not to stand for reelection or is not reelected for a three-year term or a Director who retires at the time of mandatory retirement will not be determined to have voluntarily resigned. In the event of Voluntary Resignation, the Restricted Stock Units will be forfeited. Also, Restricted Stock Units will be forfeited if the Newly Acquired Shares to which the Restricted Stock Units relate are not retained by the Participant during the Holding Period specified in the Award Letter.

6. Additional Cash Payment/Dividend Equivalents

The Participant also will receive a dividend equivalent, if any, payable with respect to the Restricted Stock Units from the date of grant until restrictions lapse.

7. Miscellaneous

- 7.1 Administration of the Program – The Human Resources Committee of the Board of Directors shall be the sole administrator of the Program. The Committee shall have full power to formulate additional details and regulations for carrying out this Program. The Committee shall also be empowered to make any and all of the determinations not herein specifically authorized which may be necessary or desirable for the effective administration of the Program. Any decision or interpretation of any provision of this Program adopted by the Committee shall be final and conclusive.
- 7.2 Amendment and Termination of Program – The Committee may at any time amend the Program in whole or in part; provided, however, that no amendment shall be effective to affect the Participant's vested right therein, and, except as provided below, no amendment shall be effective to decrease the future benefits under the Program payable to any Participant or beneficiary with respect to any amount granted or vested prior to the date of the amendment. Written notice of any amendments shall be given promptly to each Participant. No notice shall be required with respect to amendments that are non-material or administrative in nature.
- 7.3 Successors and Mergers, Consolidations, or Change in Control – The terms and conditions of this Program shall enure to the benefit of and bind the Corporation, the Participants, their successors, assignees, and personal representatives. If a Change in Control shall occur then the rights and obligations created hereunder shall be those outlined in the 2013 Stock and Cash Incentive Plan, or its successor.
- 7.4 Gender, Singular and Plural – All pronouns and any variations thereof shall be deemed to refer to the masculine and feminine gender as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.
- 7.5 Captions – The captions to the articles, sections, and paragraphs of this Program are for convenience only and shall not control or affect the meaning or construction of any of its provisions.
- 7.6 Applicable Law – This Program shall be governed and construed in accordance with the laws of the State of Indiana.
- 7.7 Validity – In the event any provision of this Program is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Program.

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BALL CORPORATION

**ECONOMIC VALUE ADDED
INCENTIVE COMPENSATION PLAN**

Updated April 26, 2016
Replaces August 11, 2011

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BALL CORPORATION

**ECONOMIC VALUE ADDED
INCENTIVE COMPENSATION PLAN**

1. Statement of Purpose

The purpose of the Ball Corporation (the "Company") Economic Value Added Incentive Compensation Plan (the "Plan") is to produce sustained shareholder value improvement by establishing a direct link between Economic Value Added ("EVA") and annual short-term incentive compensation payments.

2. Administration of the Plan

The Committee of management of the Company (the "EVA Committee") shall be the administrator of the Plan, with oversight and governance by the Human Resources Committee of the Board of Directors (the "HR Committee"). The HR Committee shall have full power to formulate additional regulations and make interpretations for carrying out the Plan. The HR Committee shall also be empowered to make any and all of the determinations not herein specifically authorized which may be necessary or desirable for the effective administration of the Plan. Any decision or interpretation of any provision of this Plan adopted by the HR Committee shall be final and conclusive. The Corporate Compensation Department is responsible for executing the administration of the Plan.

3. Eligibility

Eligibility to participate is limited to employees in locations and positions approved by the EVA Committee or in the case of an Officer of the Company by the HR Committee.

4. Targets

4.1. Establishment of Target Incentive Percent - At the time a Participant commences participation in the Plan, there shall be established for each Participant a Target Incentive Percent. The Target Incentive Percent for such Participant for any future Year(s) may be increased, decreased or left unchanged from the prior Year. Following the end of each Year, the Target Incentive Percent for that Year will be multiplied by the Base Salary of such Participant for that Year to arrive at the Target Incentive Amount for such Participant. The Target Incentive Amount will then be multiplied by the Performance Factor for that Year to arrive at the amount of the Award, if any, and the amount of adjustment to the Participant's Bank balance, if any.

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- 4.2. Establishment of Target EVA - For any one Year, Target EVA shall equal the sum of (i) the prior year's Target EVA and (ii) one-half (1/2) the amount of the prior year's Incremental EVA.

Adjustments to the Target EVA (as computed above) may be made, with the approval of the HR Committee due to changes in the composition of the Participating Units, or for other reasons at the discretion of the HR Committee.

5. Calculation of Performance Factors, Awards, Banks, and Distributions

5.1. Calculation of the Performance Factor

- a. If Incremental EVA (i.e., Actual EVA less Target EVA) is positive, the Performance Factor is determined as follows:

$$\text{Performance Factor} = 1 + \frac{\text{Incremental EVA}}{\text{Positive Leverage Factor}}$$

- b. If Incremental EVA is zero (0), the Performance Factor is 1.00.

- c. If Incremental EVA is negative, the Performance Factor is determined as follows:

$$\text{Performance Factor} = 1 - \frac{\text{Incremental EVA}}{\text{Negative Leverage Factor}}$$

- 5.2. Calculation of Participant's Award - The Performance Factor will be multiplied by the Participant's Target Incentive Amount to arrive at each Participant's Award for the Year.

If a Participant has multiple Participation Bases, the Performance Factor for each Participation Basis will be determined separately and accumulated to compute the Participant's total Award.

Except with the prior approval of the HR Committee, the total Award for a Participating Unit may not exceed one-third (1/3) of Positive Incremental EVA generated by that Unit, computed before consideration of such Awards. The Leverage Factor of the Participating Unit will be amended if the total Award of the Unit exceeds one-third (1/3).

- 5.3. Determination of Distributions, Bank Balances and Distribution Date - To encourage sustained improvements to EVA, there are cases when earned incentive will be deferred and credited to a Participant's Bank balance. Correspondingly, to ensure accountability for performance in



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down periods, there are cases when a negative Bank balance will be created for a Participant. Appendix A sets out the Plan distribution rules.

The distribution date shall be once each year and no later than March 15 of the year following the year for which an Award was calculated.

The formulas and examples of Determination of Distributions and Bank Balances are contained in Appendix A and B and are incorporated by reference herein and form a part of the Plan.

- 5.4. De Minimis Bank Balances - If after determination of the Distribution for the Year, the Bank balance is positive but less than Ten Thousand Dollars (\$10,000.00) or equivalent in the Participant's local currency using the most recent calendar year-end foreign exchange rate, then such balance will be added to the Distribution for the Year, and the Bank balance will thereby be brought to zero.
- 5.5. Calculation of Award Distributions When a Participant has Multiple Participation Bases - In the event a Participant has multiple Participation Bases for a Year, then Awards, Banks, Performance Factors and Target Incentive Amounts shall be calculated separately and independently for each Participation Basis.
- Bank balances shall be maintained separately for each Participation Basis. A Bank Balance from one Participation Basis may not be offset against a Bank balance of another Participation Basis.
- 5.6. Changes in Participation Basis - In the event a Participant experiences a change in Participation Basis during a Year, then Awards, Banks, Performance Factors and Target Incentive Amounts shall be calculated separately and independently for each Participation Basis of such Participant using those portions of the Participant's Base Salary actually paid for service while included in each separate Participation Basis.
- Bank balances shall be maintained separately for each Participation Basis.
- 5.7. Changes in Target Incentive Percent - In the event a Participant experiences a change in Target Incentive Percent without experiencing a change in Participation Basis during a Year, then Award calculations and Bank adjustments will be made separately using those portions of the Participant's Base Salary actually paid for service while participating at each separate Target Incentive Percent.
- Separate Bank accounts shall not be maintained because of changes in a Participant's Target Incentive Percent.
- 5.8. Qualification of Distributions for Other Plans - Distributions from the Plan to active Participants shall qualify as incentive payments for the purpose

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of any deferred compensation plan(s) maintained by the Company, and as such, may be deferred by Participants eligible to defer under the terms and conditions of such plan(s). Such eligibility for deferral is not automatic and shall only be as authorized for eligible employees under the rules of such plan(s). Notwithstanding anything to the contrary in such plan(s), no portion of any Award or any Bank, prior to actual Distribution, shall qualify for the purposes of deferral under the terms and conditions of such plan(s).

6. Leverage Factors

- 6.1. Establishment of Positive Leverage Factor - The Positive Leverage Factor is determined by the EVA Committee, with the approval of the HR Committee. The determination of the Positive Leverage Factor considers a number of judgmental factors including, but not limited to, the volatility of earnings and the capital invested in each Participating Unit and the Total Incentive Amount for all Participants in each Participating Unit.

It is anticipated that changes to the Positive Leverage Factor will not be made often. Circumstances which may warrant a change in the Positive Leverage factor include significant changes which affect the Participating Unit, including a change in the composition of the Participating Unit, permanent changes in market conditions, and acquisitions and/or divestitures.

- 6.2. Establishment of Negative Leverage Factor - The Negative Leverage Factor is equal to the Positive Leverage Factor multiplied by a factor of two (2.0).

7. Distributions Following Termination

- 7.1. Eligibility - A Participant who terminates employment prior to the Distribution Date of a Year shall not be eligible for any Distribution for such Year or any future Distributions, unless such termination is by reason of Retirement, Death or Disability. Regardless of Retirement status, any Participant whose employment terminates for cause shall not be eligible to receive any Distributions. In cases involving location closures or reduction in force programs, the EVA Committee may approve an exception to these eligibility guidelines and pro-rate as needed for time of service.
- 7.2. Distributions for the Year of Retirement, Death or Disability - Distributions for a Participant for the Year of such Participant's termination of employment by reason of Retirement, Death or Disability shall be on the same basis as for all other Participants and pro-rated as needed for time of service.

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Complete Distribution of Bank(s) of Participants who have experienced a termination of employment by reason of Retirement, Death or Disability shall be accomplished no later than the normal Distribution Date following the Year of such termination by reason of Retirement, Death or Disability.

- 7.3. Obligation for Negative Bank Balances - If, after the Distribution made for the Year of Retirement, Death or Disability, the Participant's Bank balance is negative, then such Bank balance will be eliminated without further obligation of the Participant to the Company. Participants who terminate for reasons other than Retirement, Death or Disability and at the time of termination have a negative Bank balance will have no obligation to the Company related to the negative Bank balance.

8. Beneficiary Designation

The Participant shall have the right, at any time and from time to time, to designate and/or change or cancel any person/persons or entity as to his Beneficiary (both principal and contingent) to whom Distribution under this Plan shall be made in the event of such Participant's death prior to a Distribution. Any Beneficiary change or cancellation shall become effective only when filed in writing with the Corporate Compensation Department during the Participant's lifetime on a form provided by or otherwise acceptable to the Company. In locations where there is a mandatory line of succession, payment will be made in accordance with local law.

The filing of a new Beneficiary designation form will cancel all Beneficiary designations previously filed. Any finalized divorce of a Participant subsequent to the date of filing of a Beneficiary designation form shall revoke any prior designation of the divorced spouse as a Beneficiary. The spouse of a Participant domiciled in a community property jurisdiction shall be required to join in any designation of Beneficiary other than the spouse in order for the Beneficiary designation to be effective.

If a Participant fails to designate a Beneficiary as provided above, or, if such Beneficiary designation is revoked by divorce, or otherwise, without execution of a new designation, or if all designated Beneficiaries predecease the Participant, then the Distribution shall be made to the Participant's estate.

9. Miscellaneous

- 9.1. Unsecured General Creditor - Participants and their beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests, or other claim in any property or assets of the Employer. Any and all assets shall remain general, unpledged, unrestricted assets of the Employer. The Company's obligation under the Plan shall be that of an unfunded and unsecured promise to pay money in the future, and there shall be no obligation to establish any fund, any security or any

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otherwise restricted asset, in order to provide for the payment of amounts under the Plan.

- 9.2. Obligations To The Employer - If a Participant becomes entitled to a Distribution under the Plan, and, if, at the time of the Distribution, such Participant has outstanding any debt, obligation or other liability representing an amount owed to the Employer, then the Employer may offset such amounts owing to it or any affiliate against the amount of any Distribution. Such determination shall be made by the EVA Committee. Any election by the EVA Committee not to reduce any Distribution shall not constitute a waiver of any claim for any outstanding debt, obligation, or other liability representing an amount owed to the Employer.
- 9.3. Nonassignability - Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and nontransferable. No part of an Award and/or Bank, prior to actual Distribution, shall be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor shall it be transferable by operation of law in the event of the Participant's or any other person's bankruptcy or insolvency.
- 9.4. Taxes: Withholding - To the extent required by law, the Company shall withhold from all cash Distributions made, any amount required to be withheld by the federal, state, provincial or local government.
- 9.5. No Right to Continued Employment or Participation - Nothing contained in this Plan, nor any action taken hereunder, shall be construed as a contract of employment or as giving any Eligible Employee, Participant or former Participant any right to be retained in the employ of the Employer. Participation is discretionary and is not a contractual right. Designation as an Eligible Employee or as a Participant is on a year-by-year basis and may or may not be renewed for any employment years not yet commenced.
- 9.6. Applicable Law - This Plan shall be governed and construed in accordance with the laws of the State of Indiana, or if not possible, in accordance with applicable local laws.
- 9.7. Validity - In the event any provision of the Plan is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of the Plan.
- 9.8. Notice - Any notice or filing required or permitted to be given to the HR Committee shall be sufficient if in writing and hand delivered, or sent by

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registered or certified mail, to the principal office of the Company, directed to the attention of the President and CEO of the Company. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

10. Amendment and Termination of the Plan

10.1. Amendment - The HR Committee may at any time amend the Plan in whole or in part provided, however, that no amendment shall be effective to affect the Participant's right to designate a beneficiary.

10.2. Termination of the Plan

a. Employer's Right to Terminate. The HR Committee may at any time terminate the Plan as to prospective earning of Awards, if it determines in good faith that the continuation of the Plan is not in the best interest of the Company and its shareholders. No such termination of the Plan shall reduce any Distribution already made.

b. Payments Upon Termination of the Plan. Upon any termination of the Plan under this Section, Awards for future years shall not be made. With respect to the Year in which such termination takes place, the employer will pay to each Participant the Participant's Award for such Year or partial Year, no later than March 15 in the calendar year following the year of termination of the Plan. Bank Distributions shall be made in their entirety to the Participants no later than March 15 in the calendar year following the year of termination of the Plan.

11. Definitions

11.1. Award - "Award" means the dollar amount (positive or negative) which results from the multiplication of the Participant's Target Incentive Amount for the Year, by the Performance Factor for the same Year.

11.2. Bank - "Bank" means a dollar amount account that maintains the balance of unpaid positive and negative Awards earned in accordance with the terms and conditions of the Plan. Bank balances are maintained by Participant, and the Company does not transfer cash into such Bank accounts. The Bank accounts exist only as bookkeeping records to evidence the Company's obligation to pay these amounts in accordance with Plan requirements. (See Appendix A for bank rules.)

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No interest is charged or credited on amounts in the Bank. Participants are never vested in amounts in the Bank, and such amounts are not earned until the respective Distribution Date.

- 11.3. Base Salary - "Base Salary" means the Participant's actual base salary earnings paid during the Year, excluding incentive payments, salary continuation, and other payments which are not, in the sole determination of the EVA Committee, actual base salary.
- 11.4. Beneficiary - "Beneficiary" means the person or persons designated as such in accordance with Section 8.
- 11.5. Disability - "Disability" means a bodily injury or disease, as determined by the Company, that totally and continuously prevents the Participant, for at least six (6) consecutive months, from engaging in an "occupation" for pay or profit. During the first twenty-four (24) months of total disability, "occupation" means the Participant's regular occupation. After that period, "occupation" means any occupation for which the Participant is reasonably fitted, based upon the Participant's education, training or experience as determined by the Company.
- 11.6. Distribution - "Distribution" means the payment of incentive compensation in cash or bank balance adjustment(s).
- 11.7. Distribution Date - "Distribution Date" means the date on which the Employer makes Distributions. The Distribution Date shall be once each Year and no later than March 15 of the Year following the Year for which an Award was calculated.
- 11.8. Economic Value Added - "Economic Value Added" ("EVA") is a measure of corporate performance. EVA is computed by subtracting a charge for the use of invested capital from Net Operating Profit After Tax.
- EVA = Net Operating Profit After Tax less (Invested Capital X
Required Rate of Return on Capital)
- 11.9. Effective Date - "Effective Date" means the date on which the Plan commences.
- 11.10. Eligible Employee - "Eligible Employee" means an employee who is in a location and position approved for participation by the EVA Committee or in the case of an Officer of the Company by the HR Committee.
- 11.11. Employer - "Employer" (also referred to as the "Company") means Ball Corporation and its wholly owned subsidiaries.
- 11.12. EVA Committee - "EVA Committee" is a Committee of the management of the Company that consists of the Chief Executive Officer, Chief Financial Officer, the senior most Human Resources position of the

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Company and other key positions as determined by the Chief Executive Officer.

- 11.13. Incremental EVA - "Incremental EVA" is the difference (positive or negative) between the year's Target EVA and actual EVA.
- 11.14. Invested Capital - "Invested Capital" means total assets less non-interest bearing current liabilities. Average Invested Capital for the year represents the average of twelve month-end amounts.
- 11.15. HR Committee - "HR Committee" means the HR Committee of the Board of Directors.
- 11.16. Negative Leverage Factor - "Negative Leverage Factor" means that amount of negative Incremental EVA required to obtain a Performance Factor of zero (0).
- 11.17. Net Operating Profit After Tax - "Net Operating Profit After Tax" (also referred to as "NOPAT") means operating income before financing costs and income taxes reduced by income taxes which are computed by applying a statistical tax rate appropriate to the jurisdiction(s) in which the Company or Participating Unit operates.
- 11.18. Participant - "Participant" means an Eligible Employee in the Plan. Designation as a Participant must be renewed annually.
- 11.19. Participating Unit - "Participating Unit" means an organization within the Company or a wholly owned subsidiary for which EVA Targets are established.
- 11.20. Participation Basis - "Participation Basis" means the Company or Participating Unit or combination of Participating Units and/or Company upon whose performance the Performance Factor for the Year is calculated for a Participant.
- 11.21. Performance Factor - "Performance Factor" means that number described in Section 5.1 and which is multiplied by a Participant's Target Incentive Amount to arrive at such Participant's Award.
- 11.22. Plan - "Plan" means this Economic Value Added Incentive Compensation Plan.
- 11.23. Positive Leverage Factor - "Positive Leverage Factor" means that amount of positive Incremental EVA required to obtain a Performance Factor of two (2.0).

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- 11.24. Retirement - "Retirement" means termination of employment by a Participant for whatever reason other than Death or Disability after attainment of age and service years which, when combined, equals or exceeds seventy (70), subject to a minimum age of fifty-five (55). This definition of Retirement is subject to any existing or additional statutory requirements or prescribed definition of retirement as set forth by local laws in jurisdictions where the Plan is to be implemented and which would take precedence. A Participant who has experienced a Retirement as defined herein shall be termed a "Retiree."
- 11.25. Target EVA - "Target EVA" means that amount of EVA (positive or negative) which, if attained, produces a Performance Factor of one (1.000).
- 11.26. Target Incentive Amount - "Target Incentive Amount" means that dollar amount determined by multiplying the Participant's Base Salary by such Participant's Target Incentive Percent.
- 11.27. Target Incentive Percent - "Target Incentive Percent" means that percent of Base Salary which is established by management, consistent with the guidelines approved by the EVA Committee or in the case of an Officer of the Company by the HR Committee, as being the percent of Base Salary to be paid to the Participant if Target EVA is achieved.
- 11.28. Year - "Year" means the calendar year in respect of which performance is measured under the Plan.

Appendix A
Determination of Distributions
and Bank Balances

Beginning Bank Balance for the Year	Performance Factor	Distribution	Change in Bank Balance for the Year	Example
Zero	Negative	Zero.	Negative balance equal to the negative Award.	1
Zero	Zero – 2x	100% of Award.	No change.	2
Zero	> 2x	100% of Award up to 2x, plus 1/3 of Award in excess of 2x.	Positive balance equal to 2/3 of the Award in excess of 2x.	3
Negative	Negative	Zero.	Negative balance increased by the negative award.	4
Negative	Zero – 1x	100% of Award.	No change.	5
Negative	1x – 2x	100% of Award less 1/3 of Award above 1x until the negative bank is eliminated.	Negative balance reduced by 1/3 of Award above 1x, until negative balance is eliminated.	6
Negative	> 2x	100% of Award to 2x, less 1/3 of Award between 1x to 2x and, if needed to eliminate the negative bank, 100% of Award over 2x until negative balance is eliminated.	Negative balance reduced by 1/3 of Award between 1x to 2x and, if needed to eliminate the negative bank, 100% of the Award over 2x until the negative balance is eliminated. If the negative balance is "repaid", then the Distribution is capped at 2x and the remaining Award creates a positive bank.	7
Positive	Negative	1/3 of bank balance after applying the current negative Award. If the negative Award exceeds the beginning bank balance, the Distribution is zero.	The positive balance is reduced by the negative Award and any Distribution from the bank.	8
Positive	Zero – 2x	100% of Award plus 1/3 of the beginning bank balance.	The positive balance is reduced by the 1/3 of the beginning balance Distributed.	9
Positive	> 2x	100% of Award up to 2x, plus 1/3 of Award in excess of 2x, plus 1/3 of the beginning bank balance.	The positive balance is increased by 2/3 of the Award in excess of 2x and then reduced by 1/3 of the beginning bank balance Distributed.	10

**Appendix B
Payout Examples**

Payout Examples	Example 1	Example 2	Example 3
	No Beginning Bank Balance EVA Performance Factor less than 0	No Beginning Bank Balance EVA Performance Factor between 0 to 2x	No Beginning Bank Balance EVA Performance Factor greater than 2x
Annual Gross Pay	125,000.00	125,000.00	125,000.00
EVA Target %	25.0%	25.0%	25.0%
Target EVA Amount	31,250.00	31,250.00	31,250.00
EVA Performance Factor	-0.25	1.50	2.50
Total Award	-7,812.50	46,875.00	78,125.00
Award up to 2x	0.00	46,875.00	62,500.00
Excess Award greater than 2x	0.00	0.00	15,625.00
Bank Balance			
Previous Bank Balance	0.00	0.00	0.00
Bank Deposit	-7,812.50	0.00	10,416.67
Ending Bank Balance	-7,812.50	0.00	10,416.67
Payout Distribution			
Current Award Distribution	0.00	46,875.00	67,708.33
Total Payout	0.00	46,875.00	67,708.33
Final Bank Balance	-7,812.50	0.00	10,416.67

Effective January 1, 1994
Replaces July 9, 2008

Appendix B Payout Examples

Payout Examples	Example 4	Example 5	Example 6	Example 6
	Negative Beginning Bank Balance EVA Performance Factor less than 0	Negative Beginning Bank Balance EVA Performance Factor between 0 to 1x	Negative Beginning Bank Balance EVA Performance Factor between 1x to 2x	Negative Beginning Bank Balance EVA Performance Factor greater than 2x
Annual Gross Pay	125,000.00	125,000.00	125,000.00	125,000.00
EVA Target%	25.0%	25.0%	25.0%	25.0%
Target EVA Amount	31,250.00	31,250.00	31,250.00	31,250.00
EVA Performance Factor	-0.25	0.80	1.50	2.50
Total Award	-7,812.50	25,000.00	46,875.00	78,125.00
Award up to 1x	0.00	25,000.00	31,250.00	31,250.00
Award between 1x and 2x	0.00	0.00	15,625.00	31,250.00
Excess Award greater than 2x	0.00	0.00	0.00	15,625.00
Bank Balance				
Previous Bank Balance	-10,000.00	-10,000.00	-10,000.00	-10,000.00
Bank Deposit	-7,812.50	0.00	5,208.33	26,041.67
New Bank Balance	-17,812.50	-10,000.00	-4,791.67	16,041.67
Payout Distribution				
Current Award Distribution	0.00	25,000.00	41,666.67	52,083.33
Total Payout	0.00	25,000.00	41,666.67	52,083.33
Final Bank Balance	-17,812.50	-10,000.00	-4,791.67	16,041.67

Effective January 1, 1994
Replaces July 9, 2008

**Appendix B
Payout Examples**

Payout Examples	Example 8	Example 9	Example 10
	Positive Beginning Bank Balance EVA Performance Factor less than 0	Positive Beginning Bank Balance EVA Performance Factor between 0 to 2x	Positive Beginning Bank Balance EVA Performance Factor greater than 2x
Annual Gross Pay	125,000.00	125,000.00	125,000.00
EVA Target %	25.0%	25.0%	25.0%
Target EVA Amount	31,250.00	31,250.00	31,250.00
EVA Performance Factor	-0.25	1.50	2.50
Total Award	-7,812.50	46,875.00	78,125.00
Award up to 2x	0.00	46,875.00	62,500.00
Excess Award greater than 2x	0.00	0.00	15,625.00
Bank Balance			
Previous Bank Balance	25,000.00	25,000.00	25,000.00
Bank Deposit	-7,812.50	0.00	10,416.67
Ending Bank Balance	17,187.50	25,000.00	35,416.67
Less 1/3 bank distribution	5,729.17	-8,333.33	-8,333.33
New Bank Balance	11,458.33	16,666.67	27,083.33
Payout Distribution			
Current Award Distribution	0.00	46,875.00	67,708.33
1/3 Bank Distribution	5,729.17	8,333.33	8,333.33
Total Payout	5,729.17	55,208.33	76,041.67
Final Bank Balance	11,458.33	16,666.67	27,083.33

Effective January 1, 1994
Replaces July 9, 2008

EXAMPLE CALCULATIONS

Effective January 1, 1994
Replaces July 9, 2008

Ball Corporation and Subsidiaries
Ratio of Earnings to Fixed Charges

(\$ in millions)

	2017	2016	2015	2014	2013
Earnings before taxes	\$ 514	\$ 124	\$ 346	\$ 645	\$ 583
Plus:					
Interest expensed and capitalized (a)	297	349	272	198	216
Interest expense within rent	24	18	21	26	24
Amortization of capitalized interest	3	3	4	3	5
Distributed income of equity investees	4	2	2	1	2
Less:					
Interest capitalized	(9)	(11)	(13)	(5)	(4)
Adjusted earnings	\$ 833	\$ 485	\$ 632	\$ 868	\$ 826
Fixed charges (b)	322	367	293	224	239
Ratio of earnings to fixed charges	2.6x	1.3x	2.2x	3.9x	3.4x

(a) Amounts do not include interest for unrecognized tax benefits related to uncertain tax positions.

(b) Fixed charges include interest expensed and capitalized as well as interest expense within rent.

SUBSIDIARIES OF BALL CORPORATION (Public Reporting) ⁽¹⁾

December 31, 2017

The following is a list of subsidiaries of Ball Corporation (an Indiana Corporation)

Name	State or Country of Incorporation or Organization	Percentage ⁽²⁾ Ownership Direct & Indirect
654647 N.B. Inc.	New Brunswick	100%
Aerosol Research Co (Great Britain) Limited	England	100%
American Can (UK) Limited	England	100%
American Can Holdings (UK) Limited	England	100%
Archer Insurance Limited	Guernsey	100%
Assetsteady Limited	England	100%
AUK Holding Ltd.	United Kingdom	100%
B O Morris (Holdings) Limited	England	100%
Ball (France) Holdings S.A.S.	France	100%
Ball (Luxembourg) Finance S.a.r.l.	Luxembourg	100%
Ball (Swiss) Holding GmbH	Switzerland	100%
Ball Advanced Aluminum Technologies Canada Inc.	Quebec	100%
Ball Advanced Aluminum Technologies Canada L.P.	Quebec	100%
Ball Advanced Aluminum Technologies Corp.	Delaware	100%
Ball Advanced Aluminum Technologies Holding Canada Inc.	New Brunswick	100%
Ball Aerocan CZ s.r.o.	Czech Republic	100%
Ball Aerocan Europe S.A.S.	France	100%
Ball Aerocan France S.A.S	France	100%
Ball Aerocan India Private Limited	India	100%
Ball Aerocan Mexico S.A. de C.V.	Mexico	100%
Ball Aerocan Operations S.a.r.l.	Luxembourg	100%
Ball Aerocan UK Limited	United Kingdom	100%
Ball Aerosol and Specialty Container Holding Corporation	Delaware	100%
Ball Aerosol and Specialty Container Inc.	Delaware	100%
Ball Aerosol Packaging Argentina S.A.	Argentina	100%
Ball Aerospace & Technologies Corp.	Delaware	100%
Ball Amazonia Ltda	Brazil	100%
Ball America LLC	Delaware	100%
Ball Americas Holdings B.V.	The Netherlands	100%
Ball Asia Pacific (Beijing) Metal Container Limited	PRC	100%
Ball Asia Pacific (Foshan) Metal Container Limited	PRC	100%
Ball Asia Pacific (Hubei) Metal Container Limited	PRC	96%
Ball Asia Pacific (Nanning) Metal Container Limited	PRC	100%
Ball Asia Pacific (Qingdao) Metal Container Limited	PRC	100%
Ball Asia Pacific (Shenzhen) Metal Container Limited	PRC	100%
Ball Asia Pacific (Yangon) Metal Container Limited	Myanmar	100%
Ball Asia Pacific Investments Limited	Hong Kong	100%
Ball Asia Pacific Limited	Hong Kong	100%
Ball Asia Services Limited	Delaware	100%
Ball Beverage Can Americas Inc.	Delaware	100%
Ball Beverage Can Americas, S.A. de C.V.	Mexico	100%
Ball Beverage Can Delaware Company	Delaware	100%
Ball Beverage Can Mexico, S.A. de C.V.	Mexico	100%
Ball Beverage Can Overseas LLC	Delaware	100%
Ball Beverage Can South America S.A.	Brazil	100%
Ball Beverage Packaging (India) Private Limited	India	100%
Ball Beverage Packaging AMEA Limited	England	100%
Ball Beverage Packaging Czech Republic sro	Czech Republic	100%
Ball Beverage Packaging Egypt S.A.E.	Egypt	100%

Name	State or Country of Incorporation or Organization	Percentage ⁽²⁾ Ownership Direct & Indirect
Ball Beverage Packaging Europe Limited	England	100%
Ball Beverage Packaging Fosie AB	Sweden	100%
Ball Beverage Packaging France SAS	France	100%
Ball Beverage Packaging Fredericia A/S	Denmark	100%
Ball Beverage Packaging Gelsenkirchen GmbH	Germany	100%
Ball Beverage Packaging Holding GmbH	Austria	100%
Ball Beverage Packaging Holdings UK Limited	England	100%
Ball Beverage Packaging Iberica SL	Spain	100%
Ball Beverage Packaging Ireland Limited	Ireland	100%
Ball Beverage Packaging Italia SRL	Italy	100%
Ball Beverage Packaging Ludesch GmbH	Austria	100%
Ball Beverage Packaging Mäntsälä Oy	Finland	100%
Ball Beverage Packaging Naro-Fominsk LLC	Russia	100%
Ball Beverage Packaging Oss BV	Netherlands	100%
Ball Beverage Packaging Recklinghausen GmbH	Germany	100%
Ball Beverage Packaging Rus LLC	Russia	100%
Ball Beverage Packaging UK Limited	England	100%
Ball Beverage Packaging Vsevolozhsk LLC	Russia	100%
Ball Beverage Packaging Widnau GmbH	Switzerland	100%
Ball Beverage Turkey Paketleme Sanayi ve Ticaret AŞ	Turkey	100%
Ball BP Holding Company	Delaware	100%
Ball Canada Plastics Container Corp.	Nova Scotia	100%
Ball Capital Corp. II	Delaware	100%
Ball Cayman International Limited	Cayman Islands	100%
Ball Chile S.A.	Chile	100%
Ball Company	United Kingdom	100%
Ball Container LLC	Delaware	100%
Ball Corporation	Indiana	100%
Ball Corporation	Nevada	100%
Ball Delaware Corporation	Delaware	100%
Ball Delaware Holdings S.C.S.	Luxembourg	100%
Ball Delaware Holdings, LLC	Delaware	100%
Ball Delaware International Holdings Corp.	Delaware	100%
Ball do Brasil Ltda	Brazil	100%
Ball Embalagens Ltda.	Brazil	100%
Ball Envases de Aluminio S.A.	Argentina	100%
Ball Europe Limited	United Kingdom	100%
Ball European Holdings S.a.r.l.	Luxembourg	100%
Ball Finance LLC	Delaware	100%
Ball Foundation—not for profit	Colorado	100%
Ball Funding Inc.	Delaware	100%
Ball Glass Containers, Inc.	Delaware	100%
Ball Global Business Services Corp.	Delaware	100%
Ball Global Business Services Europe and AMEA d.o.o. Beograd-Novi Beograd	Serbia	100%
Ball Global Services Americas S. de R.L. de C.V.	Mexico	100%
Ball Holdings Corp.	Delaware	100%
Ball Holdings LLC	Delaware	100%
Ball Inc.	Delaware	100%
Ball Industria e Comercio de Latas e Tampas Ltda	Brazil	100%
Ball International Holdings B.V.	Netherlands	100%
Ball International Holdings II, LLC	Delaware	100%
Ball International Holdings LLC	Delaware	100%
Ball International Holdings S.a.r.l.	Luxembourg	100%
Ball International Partners SCS	Luxembourg	100%
Ball International, LLC	Delaware	100%
Ball JV LLC	Delaware	100%

Name	State or Country of Incorporation or Organization	Percentage ⁽²⁾ Ownership Direct & Indirect
Ball Luxembourg Holdings S.a.r.l.	Luxembourg	100%
Ball Luxembourg I S.a.r.l.	Luxembourg	100%
Ball Marketing Limited	England	100%
Ball Metal Beverage Container Corp.	Colorado	100%
Ball Metal Beverage Mexico Holdings B.V.	The Netherlands	100%
Ball Metal Beverage Mexico, S. de R.L. de C.V.	Mexico	100%
Ball Metal Container Corporation	Indiana	100%
Ball Metal Food Container (Oakdale), LLC	Delaware	100%
Ball Metal Food Container, LLC	Delaware	100%
Ball Metallising Inc.	Delaware	100%
Ball MI Holding Company	Delaware	100%
Ball Nacanco Netherlands B.V.	Netherlands	100%
Ball Packaging Europe Belgrade d.o.o.	Serbia	100%
Ball Packaging Europe France S.A.S.	France	100%
Ball Packaging Europe Holding B.V.	The Netherlands	100%
Ball Packaging Europe Lublin Sp. z o.o.	Poland	100%
Ball Packaging Europe Metall GmbH	Germany	100%
Ball Packaging Europe Rostov LLC	Russia	100%
Ball Packaging India Private Limited	India	100%
Ball Packaging Products Canada Corp.	Nova Scotia	100%
Ball Packaging, LLC	Colorado	100%
Ball Pan-European Holdings, LLC	Delaware	100%
Ball Pension Holdings GmbH	Germany	100%
Ball Peru S.A.C.	Peru	100%
Ball Southeast Asia Holdings (Singapore) PTE LTD.	Singapore	100%
Ball Technologies Holdings Corp.	Colorado	100%
Ball Technology Services Corporation	California	100%
Ball Trading France S.A.S.	France	100%
Ball Trading Germany GmbH & Co. KG		100%
Ball Trading Mexico S. de R.L. de C.V.	Mexico	100%
Ball UK Acquisition Limited	United Kingdom	100%
Ball UK Holdco Limited	United Kingdom	100%
Ball UK Holdings Ltd	United Kingdom	100%
Ball UK Investments Limited	United Kingdom	100%
BD Print Limited	England	100%
Berkeley Nominees Limited	England	100%
BMB Real Estate Holdings, LLC	Delaware	100%
Bookprint Limited	England	100%
Bowater SCG Limited	England	100%
Bowaters Canadian Holdings Limited	England	100%
B-R Secretariat Limited	England	100%
Brackenbush Limited	England	100%
Brookhill Mouldings Limited	England	100%
Causton Printing Limited	England	100%
Citiforms (Sales) Limited	England	100%
Copal S.A.S.	France	51%
Cope Allman Holdings Limited	England	100%
Cope Allman Int (Management Services) Limited	England	100%
Cope Allman Packaging Group Limited	England	100%
Cope Allman Packaging Limited	England	100%
Corsec Mercantile Services Limited	England	100%
Counting House Computer Systems Limited	England	100%
CPRX-Hughesville Inc.	Delaware	100%
Deister Handels & Beteiligungs GmbH	Germany	100%
Dimgate Limited	England	100%
DRG Australia Limited	England	100%

Name	State or Country of Incorporation or Organization	Percentage ⁽²⁾ Ownership Direct & Indirect
DRG France Limited	England	100%
DRG Medical Packaging Supplies (Flexpak) Ltd	England	100%
DRG Medical Packaging Supplies (Malago) Ltd	England	100%
DRG Medical Packaging Supplies Limited	England	100%
Ejectoret Limited	England	100%
Filmset Limited	England	100%
Foshan Packaging Holdings Limited	Hong Kong	100%
FTB Corporate Services Limited	Hong Kong	100%
FTB Packaging Limited	Hong Kong	100%
Gainer Developments Ltd.	BVI	100%
Heekin Can, Inc.	Colorado	100%
Impact Packaging Limited	England	100%
Jambalaya S.A.	Uruguay	60.1%
Jauntbrook Limited	England	100%
Jesse Broad Limited	England	100%
John Dunhill & Co Limited	England	100%
KB Järnåldern 3	Sweden	100%
Knightsbridge Trustees Limited	England	100%
Latas De Aluminio Ball, Inc.	Delaware	100%
Latas Industria De Embalagens De Aluminio De Brasil Ltda.	Brazil	100%
M.C. Packaging (Hong Kong) Limited	Hong Kong	100%
McCorquodale & Blades Trust Limited	England	100%
McCorquodale Commercial Products Limited	England	100%
McCorquodale Leasing Limited	England	100%
McCorquodale Limited	England	100%
MCP Beverage Packaging Limited	Hong Kong	100%
MCP Device Limited	BVI	100%
MCP Intellectual Property Holdings Limited	BVI	100%
Mertonlight Limited	England	100%
NO Limited	England	100%
NO Packaging Limited	England	100%
NO Pensions Administration Limited	England	100%
N&W Properties Limited	England	100%
Nacanco Deutschland GmbH	Germany	100%
National Trading Corporation	Delaware	100%
Nellford Limited	England	100%
OPD Packaging Limited	England	100%
PLM Septanus AB	Sweden	100%
Poland Glassworks Holding BV	Netherlands	100%
Qingdao M.C. Packaging Limited	PRC	100%
RAC Holding II Pte Limited – in liquidation	Singapore	100%
RAC Holding Pte Limited – in liquidation	Singapore	100%
Rayeil International Limited	BVI	100%
RBT (London) Limited	England	100%
recan (Fund)	Serbia	100%
Restlat Investments Limited	England	100%
Rexam (AK) Limited	England	100%
Rexam (Jersey) Limited	Jersey	100%
Rexam AB	Sweden	100%
Rexam Amazonia Ltda	Brazil	100%
Rexam BC Limited	England	100%
Rexam Beauty (Taiwan Holdings) Limited	England	100%
Rexam Beverage Can (India Holdings) Limited	England	100%
Rexam Beverage Can Berlin GmbH	Germany	100%
Rexam Beverage Can China Limited	Hong Kong	100%
Rexam Beverage Can Company	Delaware	100%

Name	State or Country of Incorporation or Organization	Percentage ⁽²⁾ Ownership Direct & Indirect
Rexam Beverage Can Holdings BV	Netherlands	100%
Rexam Beverage Can SAS	France	100%
Rexam Beverage Cans Limited	England	100%
Rexam Beverage Packaging Holdings Limited	England	100%
Rexam Beverage Packaging Invest BV	Netherlands	100%
Rexam Book Printing Limited	England	100%
Rexam C S Pension Trustees Limited	England	100%
Rexam CFP Limited	England	100%
Rexam Closures Limited	England	100%
Rexam Coated Products Limited	England	100%
Rexam CW Limited	England	100%
Rexam DFR China Limited	England	100%
Rexam DFR Taiwan Limited	England	100%
Rexam European Holdings AB	Sweden	100%
Rexam European Holdings Limited	England	100%
Rexam Finance Company Limited	England	100%
Rexam Finance Germany Limited	England	100%
Rexam Finance Netherlands Limited	England	100%
Rexam Finance Poland Limited	England	100%
Rexam Finance Sweden Limited	England	100%
Rexam Financial Services Limited	England	100%
Rexam Flexibles Viking Limited	England	100%
Rexam Foundation—not for profit	Delaware	100%
Rexam France SAS	France	100%
Rexam FW Limited	England	100%
Rexam Graphics Limited	England	100%
Rexam Group Holdings Limited	England	100%
Rexam Healthcare Innovation SAS	France	100%
Rexam High Performance Flexibles Limited	England	100%
Rexam Holding GmbH	Germany	100%
Rexam Holdings AB	Sweden	100%
Rexam Holdings Germany AB	Sweden	100%
Rexam Holdings Limited	England	100%
Rexam Industrial Bulk Packaging Limited	England	100%
Rexam Investments Pty Limited	Australia	100%
Rexam Jersey 2007 Limited	Jersey	100%
Rexam Leasing AB	Sweden	100%
Rexam Limited	England	100%
Rexam Liquid Packaging Limited	England	100%
Rexam Nederland Holdings BV	Netherlands	100%
Rexam Overseas Holdings Limited	England	100%
Rexam Packaging Limited	England	100%
Rexam Packaging Systems Limited	England	100%
Rexam Pension Trustees Limited	England	100%
Rexam Pharmaceutical Packaging Limited	England	100%
Rexam Plastic Containers Limited	England	100%
Rexam Property Developments Limited	England	100%
Rexam Property Holdings Limited	England	100%
Rexam RDI Limited	England	100%
Rexam UK Holdings Limited	England	100%
Rexam United Arab Can Manufacturing Limited	Saudi Arabia	51%
Rexam Uruguay SA	Uruguay	100%
Rexam US Investments Limited	England	100%
Rexam WCL Limited	England	100%
Rexam WCP Limited	England	100%
Rexam Webster Limited	England	100%

Name	State or Country of Incorporation or Organization	Percentage ⁽²⁾ Ownership Direct & Indirect
Rexam WM Limited	England	100%
Sir Joseph Causton & Sons Limited	England	100%
Societe Civile Immobiliere le Marais	France	100%
Sofab Limited	England	100%
Solray Plastics Limited	England	100%
Specialty Coatings Group UK Trustees Limited	England	100%
The Renaissance Insurance Company	Vermont	100%
Unit Moulders Limited	England	100%
USC May Verpackungen Holding Inc.	Delaware	100%
Victor International Plastics (London) Limited	England	100%
Victor International Plastics (Manchester) Limited	England	100%
Victor International Plastics (Midlands) Limited	England	100%
Victor International Plastics (South) Limited	England	100%
Viking Packaging Limited	England	100%
Wavefront Technologies, Inc.	Maryland	100%
Wembley Press Limited	England	100%
Wessex Typesetters Limited	England	100%
Wise Champion Investments Limited	Hong Kong	100%

(1) In accordance with Regulation S-K, Item 601(b)(21)(ii), the names of certain subsidiaries have been omitted from the foregoing lists. The unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as defined in Regulation S-X, Rule 1-02(w).

(2) Represents the Registrant's direct and/or indirect ownership in each of the subsidiaries' voting capital share.

The following is a list of affiliates of BALL CORPORATION included in the financial statements under the equity or cost accounting methods:

Controladora Envases Universales Rexam SA	Guatemala	50%
Envases del Istmo SA	Panama	50%
Envases Universales Rexam de Centroamerica SA	Guatemala	50%
Envases Universales Rexam De Panama SA	Panama	50%
Hanil Can Co Limited (Associate)	Korea	40%
Kemsley Fields Limited	England	43%
Magnaparva Packaging Limited	England	50%
Prestadora de Servicios de Centroamerica SA	Guatemala	50%
Rocky Mountain Metal Container, LLC	Colorado	50%
TBC-Ball Beverage Can Holdings Limited	Hong Kong	50%
TBC-Ball Beverage Can Vietnam Limited	Vietnam	50%
Thai Beverage Can Ltd.	Thailand	7%

The following is a list of affiliates of BALL PACKAGING EUROPE included in the financial statements under cost accounting methods:

Green Dot Company Ltd.	Cyprus	*)
Lam Soon-Ball Yamamura Inc.	Taiwan	8%
Sekopac d.o.o.	Serbia	11%
Slovak	Slovenia	3.33%

*) the percentage of the participation is not known. In general, the share is not material.

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-129292 and 333-208235) and Registration Statements on Form S-8 (Nos. 333-32393, 333-52862, 333-62550, 333-67180, 333-67284, 333-84561, 333-124449, 333-150457, 333-166376, 333-188116, 333-204061 and 333-217518) of Ball Corporation of our report dated February 28, 2018 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Denver, Colorado

February 28, 2018

FORM 10-K
LIMITED POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned directors and officers of Ball Corporation, an Indiana corporation, hereby constitute and appoint John A. Hayes, Scott C. Morrison and Nate C. Carey, and any one or all of them, the true and lawful agents and attorneys-in-fact of the undersigned with full power and authority in said agents and attorneys-in-fact, and in any one or more of them, to sign for the undersigned and in their respective names as directors and officers of the Corporation the Form 10-K of the Corporation to be filed with the Securities and Exchange Commission, Washington, D.C., under the Securities Exchange Act of 1934, as amended, and to sign any amendment to such Form 10-K, hereby ratifying and confirming all acts taken by such agents and attorneys-in-fact or any one of them, as herein authorized.

Date: February 28, 2018

<u>/s/ John A. Hayes</u> John A. Hayes	Officer	<u>/s/ Robert W. Alspaugh</u> Robert W. Alspaugh	Director
<u>/s/ Scott C. Morrison</u> Scott C. Morrison	Officer	<u>/s/ Michael J. Cave</u> Michael J. Cave	Director
<u>/s/ Nate C. Carey</u> Nate C. Carey	Officer	<u>/s/ Hanno C. Fiedler</u> Hanno C. Fiedler	Director
		<u>/s/ John A. Hayes</u> John A. Hayes	Chairman of the Board and Director
		<u>/s/ Daniel J. Heinrich</u> Daniel J. Heinrich	Director
		<u>/s/ R. David Hoover</u> R. David Hoover	Director
		<u>/s/ Pedro H. Mariani</u> Pedro H. Mariani	Director
		<u>/s/ Georgia R. Nelson</u> Georgia R. Nelson	Director
		<u>/s/ Cynthia A. Niekamp</u> Cynthia A. Niekamp	Director
		<u>/s/ Cathy D. Ross</u> Cathy D. Ross	Director
		<u>/s/ George M. Smart</u> George M. Smart	Director
		<u>/s/ Theodore M. Solso</u> Theodore M. Solso	Director
		<u>/s/ Stuart A. Taylor II</u> Stuart A. Taylor II	Director

Certification

I, John A. Hayes, certify that:

1. I have reviewed this Annual Report on Form 10-K of Ball Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2018

/s/ John A. Hayes
John A. Hayes
Chairman, President and Chief Executive Officer

Certification

I, Scott C. Morrison, certify that:

1. I have reviewed this Annual Report on Form 10-K of Ball Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2018

/s/ Scott C. Morrison
Scott C. Morrison
Senior Vice President and Chief Financial Officer

**Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350
and Rule 13a-14(b) or Rule 15d-14(b)**

My name is John A. Hayes and I am the Chairman, President and Chief Executive Officer of Ball Corporation (the "Company").

I hereby certify pursuant to 18 U.S.C. Section 1350 as adopted by Section 906 of the Sarbanes—Oxley Act of 2002 that to the best of my knowledge and belief:

- (1) the Annual Report on Form 10-K for the year ended December 31, 2017, filed with the U.S. Securities and Exchange Commission on February 28, 2018 ("Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of Ball Corporation as of, and for, the periods presented in the Report.

/s/ John A. Hayes
John A. Hayes
Chairman, President and Chief Executive Officer
Ball Corporation

Date: February 28, 2018

This certification, which accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350
and Rule 13a-14(b) or Rule 15d-14(b)**

My name is Scott C. Morrison and I am the Senior Vice President and Chief Financial Officer of Ball Corporation (the "Company").

I hereby certify pursuant to 18 U.S.C. Section 1350 as adopted by Section 906 of the Sarbanes—Oxley Act of 2002 that to the best of my knowledge and belief:

- (1) the Annual Report on Form 10-K for the year ended December 31, 2017, filed with the U.S. Securities and Exchange Commission on February 28, 2018 ("Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of Ball Corporation as of, and for, the periods presented in the Report.

/s/ Scott C. Morrison

Scott C. Morrison
Senior Vice President and Chief Financial Officer
Ball Corporation

Date: February 28, 2018

This certification, which accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES
LITIGATION REFORM ACT OF 1995**

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the Reform Act), Ball is hereby filing cautionary statements identifying important factors that could cause Ball's actual results to differ materially from those described in forward-looking statements made by or on behalf of Ball. Forward-looking statements may be made in several different contexts; for example, in the company's Form 10-K, 10-Q, 8-K and other filings with the Securities and Exchange Commission ("SEC"), quarterly and annual earnings news releases, quarterly earnings conference calls hosted by the company, public presentations at investor and credit conferences, the company's Annual Report and in other periodic communications with investors. As time passes, the relevance and accuracy of forward-looking statements may change; however, except as required by law, the company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any further disclosures and cautionary statements Ball makes on related subjects in our Form 10-K, 10-Q and 8-K reports and other filings with the SEC. The Reform Act defines forward-looking statements as statements that express or imply an expectation or belief and contain a projection, plan or assumption with regard to, among other things, future revenues, income, earnings per share, cash flow or capital structure. Words such as "expects," "anticipates," "estimates," "believes," "targets," "likely," "foresees" and similar expressions typically identify forward-looking statements, which are generally any statements other than statements of historical facts. These forward-looking statements are not guarantees of future performance, and you should therefore not place undue reliance upon such statements. Rather, these statements involve estimates, assumptions, uncertainties and known and unknown risks, many of which are outside our control, and such statements are therefore qualified in their entirety by reference to the following important factors, among others (including those described in any "Risk Factors" section of our most current Form 10-K, 10-Q or other filings with the SEC), that could cause Ball's actual results or performance to differ materially from those expressed or implied in forward-looking statements made by or on behalf of Ball:

- Fluctuation in customer and consumer growth, spending, demand or preferences, both on a seasonal basis and those that may be longer-term or structural in nature, including any effect on demand for our products as a result of the enactment of laws and programs aimed at discouraging the consumption or altering the package or portion size of certain of our customers' products.
- Customer, competitor or supplier consolidation and potential correspondent supply chain influence.
- Loss of one or more major customers or suppliers or changes to contracts with one or more customers or suppliers.
- Failure to achieve anticipated productivity improvements or cost reductions including those associated with capital expenditures; failure to achieve an appropriate or optimal level of maintenance and capital expenditures; and failure to achieve expectations with respect to expansion plans, accretion to reported earnings, working capital improvements and investment income or cash flow projections.
- Changes in climate and weather; acts of war, terrorism or other significant or catastrophic geopolitical events or natural disasters, or the catastrophic loss of one of our key manufacturing or operating facilities.
- Financial risks, including changes in interest rates affecting our debt or our ability to comply with the terms of our debt instruments; changes in the hedging markets or our inability or failure to economically hedge or insure against certain risks or potential exposures; changes in foreign exchange rates of the currencies in the countries in which the company and its joint ventures carry on business; counterparty risk; liquidity risk; inflation or deflation; and changes in capital availability and our access to financing, including the risk of constraints on financing in the event of a credit rating downgrade.

- Competition in each line of business, including with respect to pricing and the possible decrease in, or loss of, sales or margins resulting therefrom; product development and introductions by our competitors; and technology changes, including the effect on us of technological or product advances made by our competitors.
- The ability or inability to achieve and protect technological and product extensions or new technological and product advances in the company's businesses, including our ability to maintain develop and capitalize on competitive technologies for the design and manufacture of products and to withstand competitive and legal challenges to the proprietary nature of such technology (or protect any unpatented proprietary know-how and trade secrets).
- Ball's ability or inability to have available sufficient production capacity, or have such capacity available in the right locations, in a timely manner.
- Overcapacity of Ball or in the metal container industry generally, and its potential impact on costs, pricing and financial results.
- Regulatory action or issues, or changes in federal, state, local or foreign laws, including those related to tax, environmental, health and workplace safety, including in respect of climate change, or chemicals or substances used in raw materials or in the manufacturing process, particularly concerning Bisphenol-A, or BPA, a chemical used in the manufacture of epoxy coatings applied to many types of containers (including certain of those products produced by the company), as well as laws relating to recycling, mandatory deposit or restrictive packaging legislation, or to the effects on health of ingredients or substances in, or attributes of, certain of our customers' products
- The effect of any antitrust, intellectual property, consumer, employee or other litigation, investigations or governmental proceedings.
- The availability and cost of raw materials, commodities, supplies, energy and natural resources needed for the production of metal containers as well as aerospace products, and our ability or inability to pass on to customers changes in raw material costs, particularly steel and aluminum.
- Changes in senior management; strikes and other labor issues; increases and trends in various employee benefits and labor costs, including pension, medical and health care costs incurred in the countries in which Ball has operations; rates of return projected and earned on assets and discount rates used to measure future obligations and expenses of the company's defined benefit retirement plans; and changes in the company's pension plans.
- International business and market risks and economic conditions; political and economic instability in various markets, including periodic sell-offs on global or regional debt or equity markets; restrictive trade practices of national governments; the imposition of duties, taxes or other government charges by national governments; exchange controls; trade sanctions; and ongoing uncertainties and other effects surrounding geopolitical events and governmental policies and actions, both in the U.S. and in other countries, including with respect to the U.S. government budget and debt limit, the potential exit of the United Kingdom from the E.U., and other matters.

- Undertaking successful or unsuccessful acquisitions, divestitures, joint ventures or strategic realignments (including the recently completed acquisition of Rexam PLC and disposition transaction with Ardagh Group S.A.), including with respect to our ability to successfully integrate acquired businesses and achieve anticipated synergies and our ability to successfully expand international and emerging markets; and the effect of acquisitions, divestitures, joint ventures or strategic realignments on our business relationships, operating results and business generally.
- The company's ability to protect its information technology systems from attacks or catastrophic failure, and the strength of the company's cyber-security.
- Delays, extensions and technical uncertainties, as well as schedules of performance associated with contracts for aerospace products and services, and the success or lack of success of satellite launches and the businesses and governments associated with aerospace products, services and launches.
- The authorization, funding and availability and returns of government contracts and the nature and continuation of those contracts and related services provided thereunder, as well as the delay, cancellation or termination of contracts for the United States government, other customers or other government contractors.
- The timing and extent of regulation or deregulation, or changes to regulations and standards, including changes in generally accepted accounting principles or their interpretation.
- Changes to unaudited results due to statutory audits of our financial statements or management's evaluation of the company's internal controls over financial reporting.
- Loss contingencies related to income and other tax matters, including those arising from audits performed by national and local tax authorities.
- Changes to unaudited results due to statutory audits of our financial statements or management's evaluation of the company's internal controls over financial reporting.

